

Herald INTERNATIONAL Tribune

Published With The New York Times and The Washington Post

No. 32,669 10/88

PARIS, WEDNESDAY, MARCH 9, 1988

Agencia	6.000	Fin	115	Rec	Oran	1.200	Rec
Austria	22.5	Rec	125	Rec	Parigi	1.500	Rec
Baham	0.800	Fin	1.800	Fin	Oran	6.000	Rec
Baham	500	Fin	500	Fin	Rec	750	P
Canada	0.115	Rec	200	Rec	Sao Paulo	7.000	P
Cyprus	0.040	Rec	200	Rec	Shanghai	1.400	P
Denmark	17.000	Fin	1.500	Fin	Singapore	1.000	P
Egypt	0.270	Fin	500	Fin	Singapore	3.500	P
France	8.500	Fin	1.500	Fin	Tokyo	0.700	P
Germany	2.000	Fin	500	Fin	Tokyo	1.200	P
Greece	2.000	Fin	500	Fin	Tokyo	1.200	P
India	1.000	Fin	500	Fin	Tokyo	1.200	P
Italy	1.000	Fin	500	Fin	Tokyo	1.200	P
Japan	1.000	Fin	500	Fin	Tokyo	1.200	P
South Africa	1.000	Fin	500	Fin	Tokyo	1.200	P
Spain	1.000	Fin	500	Fin	Tokyo	1.200	P
Sweden	1.000	Fin	500	Fin	Tokyo	1.200	P
Switzerland	1.000	Fin	500	Fin	Tokyo	1.200	P
Taiwan	1.000	Fin	500	Fin	Tokyo	1.200	P
Thailand	1.000	Fin	500	Fin	Tokyo	1.200	P
U.S.A.	1.000	Fin	500	Fin	Tokyo	1.200	P
U.K.	1.000	Fin	500	Fin	Tokyo	1.200	P
USSR	1.000	Fin	500	Fin	Tokyo	1.200	P
Vietnam	1.000	Fin	500	Fin	Tokyo	1.200	P
Yugoslavia	1.000	Fin	500	Fin	Tokyo	1.200	P

As Migrants Surge Into Asia's Cities, Economies Buckle

By Michael Richardson
International Herald Tribune

BANGKOK — After driving a rented taxi for most of the night and morning, Banlueng Palusuk lies sprawled on the floor, exhausted.

A fan stirs the fetid air. His shack, built of planks and corrugated iron, is crammed beside dozens of other ramshackle houses that stand on stilts over a swamp in Klong Toey, near the port of Bangkok.

Two years ago, Mr. Palusuk, 25, his wife and baby son left Roi Et, one of the poorest, driest provinces in the northeast of Thailand, to move to Bangkok.

"There was no work up there and it was hard to survive," he said. "Here I can earn enough to eat every day."

The Palusuk family's migration is part of a surge of people, leaving the countryside for the cities and large towns of many Asian countries, from Indonesia to China.

This movement is creating a chain of "mega-cities" in Asia that some urban planners say is bringing a new kind of mass deprivation, widening the gap between the region's rich and poor. It also is creating heavy demands for jobs, transport, water supply, waste disposal, education and health services in urban areas.

Acute shortages of affordable land and housing, especially for the poor, have developed in many of Asia's cities.

Recent studies by United Nations agencies in Bangkok predict that if trends continue, up to 40 percent of the 3.6 billion population in the Asia-Pacific region by the year 2000 will be in urban areas, compared to about 26 percent of the current population of roughly 2.8 billion.

S.A.M.S. Kibria, executive secretary of the UN Economic and Social Commission for Asia and the Pacific, said that more than 1.1 billion people would be living in 23 cities, each with over five million inhabitants.

"The staggering impact of this process has not yet drawn many realistic responses," he warned. "As a consequence, slums and squatter settlements, landlessness, joblessness and deteriorating environments have proliferated."

One study by the commission projects that by the turn of the century, Shanghai, Beijing and greater Tokyo will each have between 22 million and 26 million residents.

In greater Bombay, Calcutta and Jakarta, the range will be from 16 million to 18 million.

Other regional mega-cities will include Seoul, with more than 14 million people, and Manila and Bangkok, each with around 12 million.

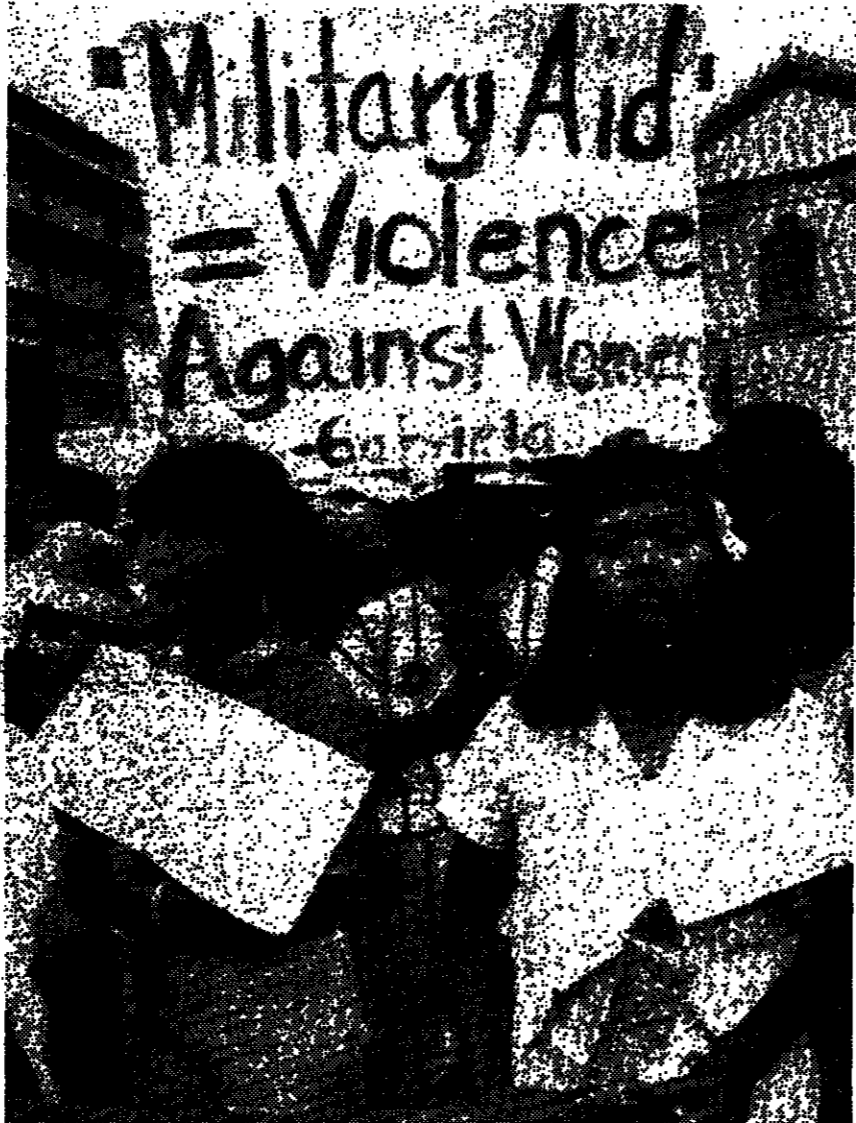
Bangkok's population has more than doubled in a decade. Migration from the countryside and the arrival of illegal migrants from Burma and Indochina have added to the population growth.

Chamlong Srimuang, governor of Bangkok, said that official figures put the city's population at 5.4 million. "But I guess it's somewhere between seven and eight million," he said.

See **CITIES**, Page 6



John Parham/The Associated Press



Joe Dart/Agence France-Press

Turning Out for Women's Day

International Women's Day around the world Tuesday. Above, South Africans protesting the banning of anti-apartheid groups; the Johannesburg police broke up the demonstration and briefly detained seven photographers and television cameramen. Left, a rally in Manila against the U.S. military presence in the Philippines; participants also accused the government of violating women's rights. Below, Palestinian women demonstrating at a refugee camp in Sidon.



Y. Haddadin/Agence France-Press

Bush's Effort Runs Short on Substance

By David Hoffman
Washington Post Service

ST. LOUIS, Missouri — As Vice President George Bush strolled the aisles of the World's Fishing Fair over the weekend in Springfield, Missouri, a huge banner high overhead urged thousands of sportsmen, "Don't Miss Ethyl, the Largest Black Bass in Captivity!"

Mr. Bush never got to see Ethyl, but he inspected dozens of fishing reels, lures and rods, then delivered what would easily qualify as the world's shortest campaign speech.

"I'll tell you something. If this country ever loses its interest in sports or ever loses its interest in fishing, we got real trouble and I don't think that's going to ever happen."

Applause. Smiles. Exit Sportsman Bush.

In recent days Mr. Bush has been

NEWS ANALYSIS

running a presidential campaign based almost entirely on symbols and devoid of substance.

He has given only one major speech since his primary victory in New Hampshire, arguing against textile import restrictions in South Carolina. He has all but abandoned the "Ask George Bush" forums where voters could question him. He has retreated into what his rivals have called the vice presidential "cocoon," refusing to answer the charges of his chief competitor, Senator Bob Dole of Kansas, and appearing only briefly before the reporters who travel with him.

From a political standpoint, Mr. Bush's approach appears to be working.

Yet the vice president's campaign style in recent weeks has revived an old question about Mr. Bush: In the absence of political pressure that might force him to provide a fuller explanation, voters might well ask whether Mr. Bush knows where he wants to lead the nation and whether he has a program to get there.

The question has been discussed privately by Mr. Bush's staff, which is preparing a fresh effort to offset any such doubts by adding new material on economics to his speeches scheduled after "Super Tuesday," the round of primary elections and caucuses that were held Tuesday in 20 states.

"We're going to heavy-up the speeches," said a Bush spokesman, Peter Teeley. Top Bush strategists were to meet Wednesday in Houston.

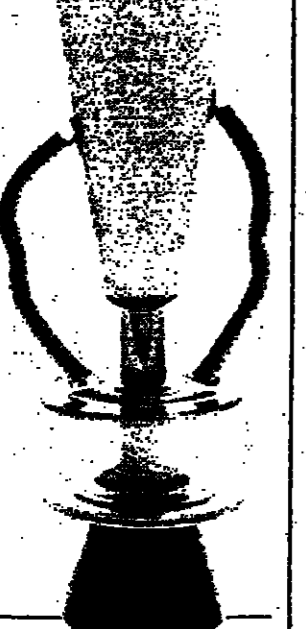
See **BUSH**, Page 6

Kiosk

Armenia Marks Protest Deaths

MOSCOW (Reuters) — Thousands of Armenians held a funeral march and rally Tuesday for victims of ethnic riots in Transcaucasia in the Armenian Republic capital of Yerevan, residents said.

The marchers laid flowers at a monument to Armenians killed in 1915. They then marched to Opera Square, where they listened to speeches commemorating Armenian victims of the recent violence.



A vase by the guru of domestic design, Ettore Sottsass, who believes that the home "has lost much of its mythic destiny." Back page.

General News

Two representatives of the Oxfam charity held in Lebanon were freed. Page 6.

Students in Krakow, Poland, clashed with police. Page 2.

Dow Jones	2,470
The Dollar	1.888
DM	1.894
Pound	1.278
Yen	127.98
FF	5.647

2 Killed in Arab-Israeli Clashes on the West Bank

By Alan Cowell
New York Times Service

RAMALLAH, Israeli-Occupied West Bank — Security forces fired tear gas and rubber bullets to disperse Palestinian women marching Tuesday for International Women's Day, witnesses said, as continued and widespread violence seized Israel's occupied territories.

Two more Palestinians were reported killed in upheaval related to the revolt that has continued for three months. One of the dead was an Arab policeman working for the

Israeli authorities, prompting official suggestions that a campaign against perceived collaborators had intensified. The second was reportedly shot to death by Jewish settlers.

The upheaval came one day after Israeli forces shot and killed three Palestinian guerrillas who had hijacked a bus in the south of the country between Beerseba and a top-secret nuclear research center at Dimona.

Yasser Arafat's el-Fatah movement, the dominant force in the Palestine Liberation Organization,

took responsibility for the attack, in which three Israeli civilians, two of them women, were slain.

Four Israeli Army officers whose car was seized by the Palestinian gunmen before the bus was hijacked were jailed on Tuesday for 35 days for failing to carry weapons.

The hijacking and subsequent killings seemed to reinforce Israeli revulsion for the PLO and also seemed to trouble those Palestinians who are concerned that the armed attack will erode the perceived benefits gained from three

months of unarmed protest by stone-throwing demonstrators in the occupied territories.

"There is no doubt that it proves that the PLO is not a partner to dialogue," Prime Minister Yitzhak Shamir said on the Israeli radio. "It must be removed and wiped out."

Mr. Shamir, moreover, linked the attack to the revolt in the occupied territories. "These are the same people who incite the riots in the territories," he said.

Similar sentiments were evident in cartoons in Hebrew newspapers, one depicting Mr. Arafat offering a

blood-stained calling card in the image of a bullet-holed bus to Secretary of State George P. Shultz.

Sari Nusseibeh, a Palestinian intellectual known as a moderate, argued in a published interview that the perceived benefits that have accrued to the Palestinian cause over the past three months derive from the fact that it has conjured images of unarmed protesters rising against an armed and militarily superior foe.

When an Israeli hostage was shot

See **ISRAEL**, Page 6

Mending Families: A New U.S. Priority

By Tamar Lewin
New York Times Service

NEW YORK — Larry Keane is far too tall for the child-sized chairs in the playroom, but he sits quietly, beaming at the back of his son's head as Kevin, 4, finishes a wooden puzzle and proudly hands it to the nursery aide at the family drop-in center in Baltimore's bleak Cherry Hill housing project.

"Kevin's doing excellent," said Mr. Keane, who has just finished a sausage-and-egg breakfast in the center's kitchen. "They help him get real smart here. They helped me get a job, too. If you're trying to keep from running in the street, selling rubber and stuff, this place can help you get away from all that. You get to help with your kids or anything else, there's always someone here you can talk to."

Family support centers like the one the Keanes go to have been popping up all over the country in the last few years. And this year, efforts to mend the American family — helping two generations at once — are rapidly moving up the list of national priorities.

More than half the governors in the country mentioned children's issues in their state messages this year, and many of the presidential candidates have been talking about programs to strengthen the family. Meanwhile, Congress is considering legislation to finance family-support programs, child care and the use of schools as a base for serving younger children.

That the nation's children are in trouble is

beyond argument. Last fall, an influential study by the Committee for Economic Development, a New York research and education group, reported that a quarter of all children under 6 live in poverty, as many as a third of the children entering kindergarten each year may not have the basic skills needed for successful schooling, and three-quarters of all

That the nation's children are in trouble is beyond argument, an influential survey found.

black infants are born to unwed mothers, half of them teen-agers.

Many of the new family-support programs help the parents grow as much as the child. For example, in Kentucky, where nearly half the adults have not finished high school, the Parent and Child Education Project is an amalgam of parenting and literacy. Parents and children in 12 rural districts come to school three days a week, and while the children spend two hours in a preschool class, the parents are tutored for a high school equivalency diploma. They come together for playtime and lunch, and afterward, while the children nap, the adults have parent-education classes.

"What we're doing for the parent is remedying their attitude to school, a place that they've had feelings about," said Jeanne Heberle, the coordinator of the Kentucky program. "Later, when the child starts school, we hope that positive attitude to education will cross over."

Maryland's Friends of the Family, which runs the center Mr. Keane attends, is less formal, with eight drop-in centers — and three more to come — offering formal parenting classes, literacy tutoring, potluck dinners, teen groups aimed at pregnancy prevention and supervised playrooms where parents can leave their children.

"Being a parent can be a very isolating experience, and having a place to go and be with other people can help break that isolation," said Rosalie Street, who heads Friends of the Family, a private group that provides support and administration for the centers, which get state money. "We are trying to do all the things that a grandmother or an aunt used to do."

Many programs are designed to bridge an information gap. "There's an awful lot of information on child development and parenting out there these days, but no one place where parents know they can go to get it, except maybe the pediatrician's office," said Robert Keating, the director of the Division of Family Support and Community Living in Connecticut.

Heather Weiss, who heads the Harvard

See **FAMILY**, Page 6

Soviet Co-ops Will Pay Price of Success: Taxes

By Bill Keller
New York Times Service

MOSCOW — The Soviet Union is preparing to introduce a progressive income tax to curb the growing wealth of private business ventures, Mikhail S. Gorbachev announced in remarks published Tuesday.

The Soviet leader, in comments to workers at a ball-bearing factory in Moscow, complained that some of the private cooperatives that have grown up in the last year have exploited shortages of goods and services to enrich themselves.

"It is understood that we need honest work and initiative, but not the kind in evidence at some cooperatives, which take advantage of shortages and engage in open money-grubbing," Mr. Gorbachev said, according to a transcript of his comments published Tuesday in the Communist Party newspaper Pravda.

"I can report in this regard that a progressive income tax will be introduced," he said. "I think it will be fair."

Members of private cooperatives are now taxed on their profits at the

Oil States Face New Price Test

Urgent Meetings Are Sought to Deal With Threat

By Youssef M. Ibrahim
New York Times Service

PARIS — As oil prices threaten to collapse, the Saudi Arabian oil minister flew to Algeria Tuesday for consultations on holding an emergency OPEC meeting, and the Egyptian oil minister, Abdel-Hadi Mohammed Kandil, called for a meeting in London of non-OPEC producers.

"We cannot let the market slide and watch," Mr. Kandil said in Cairo. "We have invited non-OPEC members to attend a very quick meeting at expert level."

The conference would include Angola, Brunel, China, Egypt, Malaysia, Mexico, Norway, Oman and the Soviet Union, Mr. Kandil said.

But Norway immediately said it would not participate and the other major West European producer, Britain, which traditionally has rejected group pricing policies, was not invited.

The Organization of Petroleum Exporting Countries is facing a collapse of oil prices, prompted in part by a record increase in output this year from non-OPEC producers.

At the close of European trading Tuesday, North Sea Brent, the most widely traded crude, stood at \$13.75 a barrel, up 8 cents from the price Monday.

On the New York Mercantile Exchange, contracts for April delivery of West Texas Intermediate, the U.S. benchmark crude, settled at \$15.45 a barrel, up 8 cents from the close Monday.

The spiraling deterioration comes barely three months after the oil cartel affirmed its commitment to a price of \$18 a barrel and pledged to defend its share of the world oil market at a meeting in Vienna in December.

Oil industry experts say a 20 percent downward price slide in the past few weeks has brought OPEC oil prices to the verge of what one called a "meltdown" stage, which they say can be stopped by nothing short of a significant cut in production by all oil producers.

The steep price fall had been predicted by many oil experts in December, when OPEC failed to trim its collective production below 17.5 million barrels. That level was judged by most experts to be more than actual demand.

A severe winter in the United States temporarily boosted demand for oil in January and February, postponing the price fall. But with a milder winter in Europe and Japan and the end of severe weather in the United States, support for oil prices is fading.

"There is nothing to stop oil prices from falling now except rumors or some extraordinary military development in the Gulf," said John Lichtblau, executive director of the Petroleum Industry Research Foundation in New York.

"Basically, it is not that OPEC is cheating by producing above its quotas. It is just that the quotas are too high."

In addition to the modest demand for OPEC oil, according to experts, the cartel's biggest problem appears to be record increases in oil production by non-OPEC nations. These are mostly new Third World producers whose oil discoveries are diminishing their own imports need or pumping new crude into already glutted markets.

Bryan Jacobson, an oil analyst with Paine Webber Inc. who conducted a study on the situation,

See **OPEC**, Page 6

Price of Success: Taxes

same flat rate as other workers, about 13 percent.

Professionals, such as doctors and teachers, who work outside their official jobs are supposed to pay a higher tax on that income, but no wide-scale progressive tax has been imposed, on the theory that the state controls wages.

The promise of a new tax code followed the publication Sunday of a law that the authorities said would significantly expand the creation of private cooperatives.

The law gives cooperative ventures a wide range of powers, including the rights to hire workers laid off by state enterprises, to engage in foreign trade, to file lawsuits and to organize joint ventures with state companies.

The law does not spell out what types of private businesses are banned. Some activities, such as publishing, had been outlawed earlier.

In addition to the planned national progressive income tax on individuals, the law makes cooperatives subject to local taxes at an unspecified flat rate, a provision

See **TAX**, Page 6

UN Caution on Afghan Talks

GENEVA — The United Nations mediator in Afghan peace talks here, Diego Cordovez, said Tuesday that the negotiations were well advanced, but he cautioned against expecting an immediate breakthrough.

"You can't expect a breakthrough every day," he said after the latest session.

Pakistan's chief delegate, Zain Noorani, the acting foreign affairs

minister, said the talks were not stalemated.

"Certainly not. Mr. Noorani said as he arrived for two hours of talks. 'Otherwise why would I keep coming every day?'"

Agreement has been reached on the broad outlines of a United Nations plan, including the withdrawal of an estimated 115,000 Soviet troops, according to Mr. Cordovez.

Pakistan, however, is insisting on the replacement of the Soviet-

backed Afghan government with a new broad-based coalition that would allow roughly five million Afghan refugees to return home without fear of becoming caught in partisan violence.

It is not clear whether or how actively this is being discussed in the talks in Geneva.

The Afghan rebels, not part of the talks, say they will continue to fight not only until the Russians leave but also until the government of Major General Najib falls.

Adventures in the Arms Trade

Afghan Peace Threat Doesn't Perturb Pakistani Dealers

By Henry Kamm
New York Times Service

PESHAWAR, Pakistan — Haji Baz Gul, the owner of Arms Store No. 1 in Darra Adam Khel, an hour's drive south, said he was not worried about peace breaking out in Afghanistan.

"We're very happy when peace comes to this part of the world," he said, while near his shop in the arms bazaar sellers and customers were test-firing pistols into the air.

"But we believe in God, and he will make some other business for us."

"God will send customers from another part," he continued. "I'm not afraid."

He directed a questioner's attention to his photograph in a recent issue of National Geographic magazine, and was pleased to present the range of his merchandise.

Mr. Gul's principal stock in trade is no longer the locally made rifles, shotguns and pistols that are part of the business and leisure wear of all the adult men in this tribal area of North-West Frontier Province.

In addition to various versions of the Soviet AK-47 rifle, the arms dealer said he supplies the guerrillas with ammunition, at 9 cents a round, and such weapons as Chinese and Soviet rocket-launchers and rockets, Soviet, Chinese and U.S. land mines, and machine guns, largely Soviet-made.

His main customers were represented by a silent, unsmiling man sitting next to him in the rug-covered rear of his shop.

"He's bought for 30 million rupees," or \$1.7 million, over the years, he said. "He still owes 10 million. He pays in rupees, sometimes dollars. Dollars very good."

The man, according to Mr. Gul, is a buyer for one of the seven political parties that make up the Peshawar-based alliance of the Afghan insurgent movement.

The man neither confirmed nor denied the arms dealer's identification.

Mr. Gul said the Afghan was buying quantities of the principal rifle of all parties in the Afghan war: the Soviet-designed AK-47, or Kalashnikov, automatic rifle. It is used by the Soviet Army, its Af-

ghan government allies and all the insurgent groups.

Mr. Gul carries the weapon in three versions: the original Soviet model, which sells for about \$1,400; the rifle produced in China under license, at \$1,150, or a copy made by the local arms makers.

The local copy costs about \$400, and according to those who have used it, in combat, it is not worth even that.

A neighbor, an arms dealer on a smaller scale, said prices for AK-47s dipped when the Soviet Union said it was ready to withdraw its troops from Afghanistan within a year.

But he seemed relieved to report that after a few days of reflection the Afghan fighters became less sure that peace was near, and the price has reached its old level.

The United States, through the Pakistani military, supplies most of the insurgents' weapons. The arms are for the most part Communist manufacture, because they are compatible with the equipment the Moslem fighters capture from their enemies.

The unlicensed manufacture of arms and smuggling of arms and everything else are deeply anchored traditions in the tribal areas around Peshawar.

The sway of the Islamabad government is severely limited in the zones governed by the tribes, and smuggling, said Peshawar's customs collector, Salim Malik, is not against their canon.

A wide range of consumer goods are smuggled into the tribal areas, and from there they find their way into all parts of Pakistan. In addition to goods from Western Europe and Communist and non-Communist Asia, large quantities of Soviet household goods, notably refrigerators, are sold in Pakistan at rock-bottom prices.

The vast bazaar at Bara, in a tribal area a short drive south, sells almost exclusively imported goods that have never passed through Pakistani customs.

A dealer in the Peshawar bazaar, whose specialty is kitchen utensils and housewares, gave this explanation:

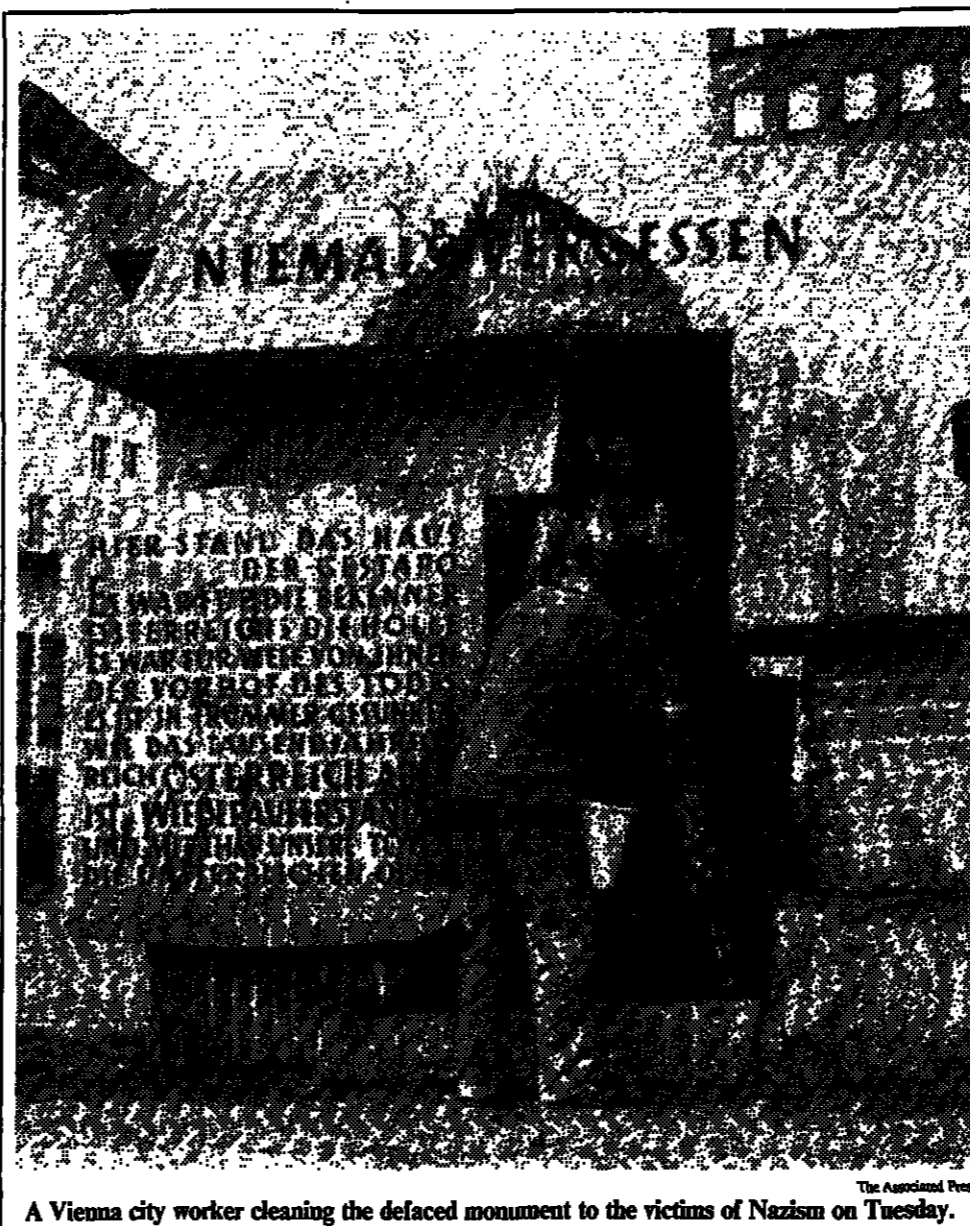
On regular shopping trips to Europe and Asia, he and his colleagues buy large consignments, to be shipped to Singapore. There they are shipped by sea to the Soviet Union.

The goods proceed by rail across the Soviet Union, by road to Kabul, and on bonded trucks, ostensibly for transshipment through Karachi, to the Pakistani border.

But Pakistani customs controls only a narrow strip at the border post at Torkham. Shortly beyond it, the trucks leave the main Khyber road to deliver their cargoes to various markets in tribal areas.

Because the government in Islamabad, like its British colonial predecessor, has never been able to dominate the border tribes, it sees no choice but to close its eyes.

The alternative would be the risk of tribal warfare.



A Vienna city worker cleaning the defaced monument to the victims of Nazism on Tuesday.

Vienna Statue to Nazi Victims Defaced

VIENNA — Vandals smeared paint and daubed a swastika Tuesday on a memorial to the victims of Nazism in central Vienna, the police said, three days before commemorations of Austria's annexation by Nazi Germany.

A swastika was painted over an inscription on the memorial in Morzplatz square that reads: "Never forget. Here stood the house of the Gestapo. For Austria it was hell. For many it was the vestibule to death. It sank into rubble like the Thousand-Year Reich. But Austria rose again and with it our dead and immortal victims."

March 11 marks the 40th anniversary of the day

when Hitler forced Kurt von Schuschnigg, Austria's conservative chancellor, to resign, enabling German troops to enter the country the next day. Hitler and the German Army were greeted by cheering crowds.

Controversy over Austria's attitude to the Nazis has been heightened by allegations that President Kurt Waldheim was involved in war crimes during his service in the German Army.

The criticism of Mr. Waldheim's record as a German Army lieutenant in the Balkans has overshadowed Friday's events, forcing the president to drop plans to speak at the ceremonies. Instead, he will deliver a television address Thursday.

Students and university workers, carrying dozens of banners demanding legalization of the student union and Solidarity, marched to a campus plaque commemorating the 1968 protests in support of "freedom of speech" and "independent thought."

The plaque was put up in March 1981 when both Solidarity and the student union functioned legally.

University authorities permitted the rally, but the campus's main gates were locked and security guards kept people not associated with the university from entering.

WORLD BRIEFS

Spanish Police Link Car to IRA

MARBELLA, Spain (Combined Dispatches) — The police in the southern Spanish resort of Marbella found a car carrying explosives on Tuesday that they believe had been rigged by three Irish Republican Army guerrillas to explode during a military parade in Gibraltar, the police sources said.

The sources said the car was packed with Czech-made explosives and a timing device set to explode at the same time that a changing-of-the-guard ceremony was to take place near the governor's residence in the British colony. The Royal Anglian Regiment on guard duty at the residence had served in Northern Ireland before taking up their post in Gibraltar, which is about 40 miles (65 kilometers) from Marbella.

Meanwhile, pressure mounted on Britain to justify the army killing of three unarmed Irish guerrillas in Gibraltar who were said to have planned a car bomb attack.

The Irish cabinet called for full details from the British government and said it was gravely perturbed by the shooting of people "when it appears from reports that they could have been arrested." After a night of rioting by IRA supporters in Belfast, Irish opposition politicians echoed IRA accusations that the three had been "executed." (AP, Reuters)

Bonn Rejects a U.S. Offer on Fighter

BONN (Reuters) — West Germany turned down on Tuesday a U.S. offer to produce a fighter as an alternative to the Eurofighter that Bonn is planning with Britain, Italy and Spain.

A Defense Ministry spokesman said that the U.S. plane, an improved F-18, would not meet standards set for the Eurofighter, which is designed for the tight airspace over West Germany along the front line of the North Atlantic Treaty Organization.

Final go-ahead for the European Fighter Aircraft has not been given, but Defense Minister Manfred Wörner said last week he expected an agreement for development to be signed in May. On Monday, Dennis Kloke, the U.S. deputy undersecretary of defense, offered the four nations a 60-percent production share of the F-18. According to Mr. Kloke, the F-18s would cost \$24.5 million each, while a Eurofighter would have a price tag of \$50 million to \$60 million.

Belgians Convicted in Child Sex Case

BRUSSELS (AP) — A court convicted 16 persons in Belgium's biggest child sex case Monday, including the former head of the United Nations Children's Fund for Belgium.

They were given prison terms of up to 10 years, but some lesser terms were suspended. Two defendants were acquitted. Most were arrested soon after the case came to light early last year and spent several months in prison before the trial, which revealed the existence of Belgian and international child sex rings.

Several adults who lent their children for sex were among the defendants. Jozef Verbeeck, 63, former head of UNICEF-Belgium, was given a two-year suspended sentence. Michel Fehu, 47, a member of the UNICEF Belgian staff who used the agency's offices and equipment to make pornographic pictures, was sentenced to eight years.

Suharto Party Crushes Reform Plan

JAKARTA (UPI) — President Suharto's ruling Golkar Party on Tuesday crushed opposition demands for greater democracy, using its strength in Indonesia's highest legislative body to sweep aside proposals for parliamentary election reform.

Golkar officials voted 284-28 in the People's Consultative Assembly against the proposed reforms. The United Development Party and the Indonesian Democratic Party unsuccessfully sought a bigger voice in the running of parliamentary elections, currently an exclusive right of the military-backed Golkar administration.

The two minority parties also called for an end to the system that bars them from establishing branch parties in the nation's villages, where more than 80 percent of the country's 173 million people live. The People's Consultative Assembly is to re-elect Mr. Suharto on Thursday to a fifth five-year term and select a vice president on Friday. Mr. Suharto, 66, is running unopposed.

Roh's Party Gets New Election Law

SEOUL (AP) — President Roh Tae Woo's governing party pushed its version of a new election law through the National Assembly on a voice vote Tuesday, clearing the way for important legislative elections.

After the law was passed, during an unusually assembly session, officials of the Democratic Justice Party said that National Assembly elections would be held about April 20.

Kim Tae Ryong, spokesman for the main opposition Renminification Democratic Party, said: "The bill contains various malicious clauses designed to steal votes." Mr. Kim and other opposition leaders said the bill severely limits campaigning and sets other restrictions that are unfavorable to opposition candidates.

China Says 309 Police Hurt in Lhasa

BEIJING (Reuters) — China revealed Tuesday that more than 300 police officers were injured in anti-Chinese protests in the Tibetan capital of Lhasa, but denied reports that the police had retaliated with gunfire.

"Latest statistics show that during the riot, one policeman was killed and 309 others injured, including 29 seriously injured," Xinhua, the Chinese news agency, said. According to an earlier official report, 28 policemen were hospitalized.

Foreigners in Lhasa during Saturday's disturbances said on returning to Beijing that up to nine persons were killed, some shot to death by police. This was denied by the agency.

For the Record

A French gendarme was shot to death in Corsica on Tuesday, hours after separatist guerrillas held a news conference to announce they were stepping up attacks on the island. He was fatally wounded when four men attacked a police barracks in Ajaccio with grenades and a machine gun, the police said. Two suspects were later detained. (Reuters)

Chad said Tuesday that 20 Libyans were killed in a clash with Chadian troops near the border with Sudan after Libyan forces attacked a Chadian position. (Reuters)

Chile's governing junta will act in June or July to designate its presidential candidate for the election scheduled for late this year. A member of the junta, Admiral José Toribio Merino has said. President Augusto Pinochet is expected to be the junta's candidate. (AFP)

TRAVEL UPDATE

Stockholm has decided to ban cars from its streets on one day a year, city council officials said Tuesday. "One car-free day will make people understand how much cars destroy and pollute," said a council member, Agneta Dreber. The exact day for the ban has yet to be decided. (Reuters)

Lisbon commuters faced chaos again Tuesday as Metro and ferry workers staged another one-day strike to press demands for higher wages. Traffic has been disrupted weekly since January by sporadic strikes on ferries, Metro trains, buses, streetcars and railroads. (Reuters)

Ground workers at Rome's Leonardo da Vinci Airport staged a surprise strike Tuesday, causing waiting lines, long delays and flight cancellations. The ground workers have staged repeated strikes over the past four months as part of a battle over wages and working conditions. (Reuters)

Twenty percent to 50 percent of tourists get ill on their vacations, the World Tourism Organization said Tuesday. The main complaints are stomach upsets and diarrhea, but there are many cases of sunburn and sexually transmitted diseases, a spokesman for the Madrid-based organization said. About 355 million people traveled abroad last year, of whom 30 percent went to Mediterranean countries. (Reuters)

Burkina Faso has reopened its airport and frontier railroad crossings 24 hours a day, five months after a coup brought Captain Blaise Compaore to power, the official radio reported Tuesday in Ouagadougou. (AP)

Students Demonstrate in Krakow and Warsaw

WARSAW — Riot police clashed Tuesday with hundreds of student protesters in Krakow seeking greater student autonomy, an opposition activist said. At Warsaw University thousands of students demonstrated peacefully to demand more academic freedom.

The demonstrations coincided with the 20th anniversary of the student protests at Warsaw University against censorship and political repression that were repressed by the police and Communist Party activists on March 8, 1968.

This year's protests reflected a renewed campaign by student activists urging Communist authorities to legalize the Independent Students Union. The student organization was outlawed after the martial law crackdown on the Solidarity trade union in December 1981. Solidarity has since been banned.

At Krakow's Jagiellonian University, about 700 students tried to march to the main square in the city's Old Town after a midday campus rally organized by the student union, said Zygmunt Lenyk, a

Polish opposition activist. The police cordoned off streets, he said.

Mr. Lenyk, quoting witnesses, said the police attacked the students with clubs, but about 50 demonstrators pushed their way through police lines to reach the square, where they were quickly rounded up.

Most of the students, Mr. Lenyk said, returned to campus and tried twice more to march to the square, about 500 yards (500 meters) away, but each time they were confronted by the police. Students erected a street barricade using park benches and garbage cans, but police vehicles drove through it, he said.

About 70 to 100 people were detained, but the police started releasing them by early afternoon, Mr. Lenyk said. He said at least three persons were severely beaten by the police.

A government spokesman, asked about the reported clash and violence, said he had no information on the matter.

At Warsaw University, the police did not intervene as more than 2,000 students peacefully demonstrated without leaving campus.

Poles Seeking Soviet Dialogue on Katyn

By Jackson Diehl
Washington Post Service

WARSAW — A group of Polish intellectuals has started an unusual initiative to set up an independent dialogue with leading Soviet figures on the issue of the Katyn massacre of Polish officers during World War II.

In a letter released Tuesday in Warsaw, 59 Poles representing a broad sample of the country's political opposition and intelligentsia appealed to a group of Russian intellectuals to speak up about the killings, which the Poles described as one of the most sensitive issues in Polish-Soviet relations.

About 16,000 Polish officers are believed to have been killed on Soviet territory in the early years of World War II, and the bodies of about 4,000 were discovered in mass graves at Katyn, near Smolensk.

Western historians and Polish popular opinion blame Soviet forces for the massacre, but Moscow has refused to alter its contention, officially accepted by Poland's Communist authorities, that the atrocity was carried out by German troops.

"The truth must be told," the Poles' letter said. "That word is demanded from us by the debt of memory to those murdered and by the conviction that this is an essential condition for radical change in the relations between our two nations."

The letter says that Polish intellectuals believe that "the time has come for a public dialogue, a dialogue of free and independent people unrestricted by official visits and diplomatic agreements." It adds: "We want relations from which servility, lies and the danger of repression are eliminated."

The letter was signed by Lech Walesa and Zbigniew Brzezinski, leaders of the banned Solidarity trade union, by dissident intellectuals such as Adam Michnik and Jacek Kuron, and by a number of Roman Catholic and independent intellectuals, including the writer Tadeusz Konwicki, the filmmaker Andrzej Wajda, and the editors Jerzy Turowicz and Marcin Krol.

It was addressed to a diverse group of Soviet intellectuals and dissidents, including the physicist Andrei Sakharov, the economist Abel Aganbegyan, and the dissident editor Sergei I. Grigoriyants. Polish activists said they had arranged for copies of the letter to be delivered personally to the addressees in Moscow.

The release of the letter follows a new session in Warsaw of an official Polish-Soviet commission charged with clearing up the "blank spots," or taboo issues, in the two countries' relations. The commission released a statement Monday saying it had studied such issues as the Polish-Soviet war of 1920 and deportations of Poles to the Soviet Union but had made no progress in "elucidating all the circumstances of the Katyn tragedy."

Under the policy of *glasnost*, or openness, being pursued in both the Soviet Union and Poland, the Polish state press has recently published extensive articles outlining the Soviet invasion of Eastern Poland in 1939 and subsequent deportation of three million Poles to Soviet prison and labor camps.

However, the subject of Katyn has remained largely untouched. An article on the massacre prepared for publication this month in an official literary monthly was banned by censors because it presented evidence of Soviet responsibility for the killings, editors said.

Tarnish on a Hero Stirs the Italian Left

By Loren Jenkins
Washington Post Service

ROME — Sparked by the Soviet Union's *glasnost*-inspired examination of its Stalinist past, a heated political debate has erupted among Italian leftists over the political morality of one of the foremost of Italian Communism, the late Palmiro Togliatti.

The Togliatti question, triggered by Moscow's recent rehabilitation of Nikolai I. Bukharin, who was purged by Stalin in 1930s, has aroused a classic Italian intellectual storm, in which long-buried historical arguments are resurrected to provide fresh ammunition for current political debates.

The Togliatti controversy has

added fuel to the deep animosity between the Italian Communist Party and its old antagonist, the Socialist Party led by the former prime minister, Bettino Craxi.

Beyond setting Socialists and Communists at each other's throats, the dispute has also triggered soul-searching within the ranks of the Communist Party.

At issue is whether Mr. Togliatti, who led the Communists from 1927 until his death in 1964, was sufficiently loyal to the liberal and anti-Stalinist teachings of the party's martyred founder, Antonio Gramsci.

The West's largest Communist Party has always prided itself on the originality of its liberal legacy from Mr. Gramsci, which has given it a unique independence from Moscow and produced the liberal Marxism that a decade ago was given the label Eurocommunism.

Suddenly it is being alleged that Mr. Togliatti, Mr. Gramsci's heir,

DOLDER GRAND HOTEL ZURICH

Contentment - close to the city, close to nature.

Kurhausstr. 65, CH-8032 Zurich.
Telephone 01-251 62 31.
Telex 816 416 gra ch.
Telefax (01) 251 88 29

Member of The Leading Hotels of the World

Dining Out

PARIS 2nd
INDRA AND VISHNOU
The most exclusive Indian restaurants in Europe renowned for its cuisine, decor & hospitality. Reservations by Gastrocontrol in Paris internationally has been awarded prizes in Paris, Rome, New York, Madrid, Berlin, 10, Rue de Valenciennes (Bel) (St. Philippe - St. Maurice). 43.59.46.40. (01) 47.11.14. (01) 47.11.14. (01) 47.11.14. (01) 47.11.14. (01) 47.11.14.

PARIS 5th
RAFFAEL & HONORINE
The American press has twice in former Delicatessen specialties & traditional cooking. Regional dishes - Lunch - various, Daily. 16 bd St-Germain. Tel. 43.54.22.21.

PARIS 6th
L'AKVAVIT
15 rue Dauphine - Tel: 43.54.78.50. Dinner only - Closed Monday. Paris's only Swabian smorgasbord as described in Herald Tribune's article of December 4.

PARIS 7th
TRICHOUBOUX Specialities of the South-West. Confit de canard & capocola au confit de canard. Cl. Monday, 79 rue St-Dominique. Tel: (1) 47 05 49 73. Near Invalides Terminal.

PARIS 8th
LIJDLIA PAVILLON RISSE
Dinner only. Reasonable prices with quality & hot traditions in dining surroundings. 43, Rue Frocœur-H. Tel: 47.20.60.29.

A decor and a Chinese cuisine unique in Europe.

PARIS 16th
LE PRESBOURG
Treasures of the sea. Seafood, fish, crayfish, langoustines, oysters, caviar, truffles, terrines. Menu of P22 or a la carte. D19. (01) 47.11.14. 1 am. 3 Ave. d'Alsace-Lorraine. 43.02.47.

HOTEL METROPOLE GENEVE

A PRIVILEGED PLACE

The only Grand Hotel located in the heart of Geneva's business and shopping center.

34 Quai Général Guisan
1211 Geneva 3
Tel: 022/221.13.44
Telex: 421.550

UNIVERSITY DEGREE

BACHELOR'S • MASTER'S • DOCTORATE

For Work, Academic, Life Experience.

Send detailed resume for free evaluation.

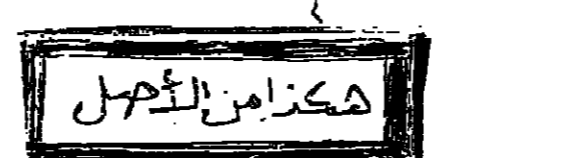
PACIFIC WESTERN UNIVERSITY
400 N. Sepulveda Blvd.,
Los Angeles, California,
90049, Dept. 23, U.S.A.

'Divine,' Campy Drag Star Of U.S. Cult Movies, Is Dead

LOS ANGELES — Harris Milstead, 42, known as Divine, the campy 300-pound female impersonator who starred in such cult films as "Pink Flamingos" and "Lust in the Dust," is dead, his manager said Tuesday.

Mr. Milstead, found in his bed at a Hollywood hotel Monday morning, apparently died of asphyxiation in his sleep.

Mr. Milstead grew up fat and was taunted by classmates in the Baltimore suburb of Lutherville. In a 1985 interview, he said he had a fantasy life revolving around female movie stars and dreams of becoming a celebrity.



Migrant Arkies and Okies Ending Western Exile

By Katherine Bishop
New York Times Service

FORT SMITH, Arkansas — To the rest of the country, the people of western Arkansas and their cousins just across the Arkansas River in Oklahoma may still seem to be the folk of John Steinbeck stories and Woody Guthrie songs, the so-called Arkies and Okies who fled as dust bowl refugees to the fields and factories of California five decades ago.

Evidence of that migration can still be found when people die in such towns as Fort Smith. Their kin are located in such California towns as Yuba City and Lodi. But now that the area can offer people steady jobs at good wages, affordable homes and one of the lowest crime rates in the nation, that westward migration is reversing itself some. People are coming back home.

Joel Stubblefield, the president of Westark Community College in Fort Smith and a returnee after 25 years away.

More than 200 manufacturers and other industries have established themselves and are expanding their plant at such a rapid rate that Fort Smith has taken on the slogan "The city of groundbreakings." Companies such as Owens-Corning Fiberglas Corp., Norton Alcoa and Whirlpool Corp., the city's largest employer, have made recent multimillion-dollar expansions.

A number of factors make Arkansas an attractive location for manufacturers, not the least of which is the state's right-to-work law, banning closed shops and union shops. But Fort Smith's local supply of natural gas also offers cheap and dependable fuel in such abundance that one company had to cap off gas wells before it could spread the asphalt for the employees' parking lot.

"We're by no means high tech," Mr. Stubblefield said. "But there is an upgrading of the work force, shifting people from assembly line work to controlling the process through mechanization."

Indeed, Fort Smith workers are finding out, with the rest of the nation, that jobs whose chief requirement is a strong back are not much in demand. The liquor warehouse of Hiram Walker and Sons Inc. already has converted to computer-assisted robots to move its inventory.

Coming back to Fort Smith, people still find the courtroom of Isaac C. Parker, best known as the "Hanging Judge" and the first jail, called "Hell on the Border," carefully preserved as part of a national historic site from the days when the town was the frontier gateway to the Indian Territory.

People still sound the same, talking with an accent the locals refer to as "lazy jaw," that has more in common with that of Oklahoma than it does with that of the

Ozark hill people to the northeast. By way of illustration, one local said that if someone says, "My car had a flat tire," he probably is from Fort Smith.

Nouvelle cuisine has not made it. People still dredge their catfish in heavy batter, deep-fat fry it and serve it with both hush puppies — fried cornmeal dough — and potatoes. Following such a meal, a friendly waitress will urge a big slice of peanut butter pie on the diner. A light breakfast of a boiled egg might likely arrive accompanied by grits, sausage and biscuits sopped in gravy.

Old-time religion is still in practice in the city's 114 churches, which are listed as fundamentalist, evangelical or charismatic. Hotel meals carefully open the Bible in each room to a new chapter every day, and Bibles are in abundance in waiting rooms everywhere from the airport to the doctor's office. In the few instances where graffiti is scrawled on downtown walls, the words are "Trust Jesus."

Riot Police Break Up Anti-Noriega Protest With Shotguns and Gas

Compiled by Our Staff From Dispatches

PANAMA CITY — Riot policemen fired shotguns, tear gas and water cannon at hundreds of anti-government demonstrators protesting Tuesday against the rule of Panama's military leader, General Manuel Antonio Noriega.

The clashes were the first outbreak of violence since General Noriega ousted President Eric Arturo Delvalle in a power struggle late last month.

The protesters, shouting "justice" and "the people will overcome," were forced away by dozens of policemen from a church on Via España in the financial district, where a rally had been set to take place.

As the main body of protesters dispersed, soldiers fired shotguns over the heads of demonstrators on side streets. At least two persons were beaten with rubber truncheons. At least one person was detained.

The demonstration was organized by the opposition Civic Crusade, a coalition of business and union groups that has been waging a campaign to pressure General Noriega to step down.

The protests were the most widespread since unrest began in June, when General Noriega's former second-in-command accused him of involvement in drug trafficking and corruption.

On Monday, major Panamanian opposition political parties and civic groups announced that they were joining with Mr. Delvalle to form a "government of national reconciliation" in place of the government dominated by General Noriega.

A coalition document said its objective was to guarantee "the fundamental conditions for an authentic democracy" in Panama. The signers also promised to "seek an understanding with the Defense Forces to define their legitimate function as a professional institution."

Mr. Delvalle has been in hiding since being deposed, and has no effective control in any part of the country. But the United States recognizes him as Panama's constitutional head of state. Panamanians involved in the preparation of the coalition agreement said Washington exerted considerable pressure to bring the opposition groups together.

Foreign Minister Jorge Abadia Arias accused the United States of preparing an imminent military invasion to oust General Noriega.

Mr. Abadia Arias said at a news conference that U.S. military training exercises now under way in Panama were "an open violation of the Canal treaties and a prelude to military intervention."

A U.S. Southern Command

spokesman said the war games, on U.S. bases, were annual training maneuvers which involved troops already stationed in Panama and two battalions of U.S. National Guardsmen from Miami and Puerto Rico.

The U.S. Southern Command is headquarters for U.S. military operations throughout Central and South America. The United States maintains 10,000 troops in Panama. (Reuters, N177)

British Summon Envoy

The British Foreign Office summoned the Panamanian ambassador twice on Tuesday and requested a waiver of his diplomatic immunity so he could be questioned about the storming of Panama's consulate by embassy staff members. Reuters reported from London.

The request, made by Foreign Office Minister Tim Eggar, followed condemnation of the raid by Prime Minister Margaret Thatcher.

A Foreign Office spokesman said: "Eggar requested a waiver of immunity to allow the ambassador and any other member of staff who might have information on the incident to be interviewed by police and if necessary charged."

Consular staff said on Monday night that they were working when a Land Rover crashed into the glass front door and men wielding hammers and truncheons evicted them and took over the building, on a back street near the Thames.

Consul-General Eduardo Arango said he supported Mr. Delvalle, while the ambassador, Guillermo Vega, was a close friend of General Noriega.

Egypt Demands King Tut Trove

CAIRO — Egypt will demand the return of ancient Egyptian relics found at the home of a British nobleman who financed the excavation of the tomb of King Tutankhamen in 1922, a government spokesman said on Tuesday.

Samir Ghareib, a spokesman for the Culture Ministry, said: "These artifacts could not have been taken legally out of the country. They are not registered." Specialists at the Egyptian Embassy in London would inspect the objects and list them, he added.

The seventh Earl of Carnarvon found 300 objects while compiling an inventory at Highclere Castle, in the county of Hampshire, southern England. It was reported Monday. His grandfather, the fifth Earl, was one of the team that discovered Tutankhamen's tomb.

U.S. and Philippines Start Bases Talks Soon

United Press International

MANILA — The Philippines and the United States will begin a review of the treaty covering U.S. air and naval bases in the country March 23, it was announced Tuesday.

The treaty, which allows the United States to operate Clark Air Base and Subic Bay Naval Base, the two biggest U.S. military facilities overseas, expires in September 1991.

It took effect 40 years ago. Foreign Secretary Raul Manglapus said payments for the bases will be an important issue in the talks in Manila.

He said that Philippine officials had ruled out a "debt-for-bases" proposal under which the United States would be asked to pay the Philippines' \$28 billion foreign debt in return for continued American use of the two military installations.

President Corason C. Aquino since being deposed, and has no effective control in any part of the country. But the United States recognizes him as Panama's constitutional head of state. Panamanians involved in the preparation of the coalition agreement said Washington exerted considerable pressure to bring the opposition groups together.

Mr. Manglapus called on Mrs. Aquino on Tuesday at the presidential palace and later attended a joint executive-legislative committee meeting on the bases.

He said that although the review will center on compensation for the bases, the full agenda for the talks is not final.

Mrs. Aquino has pledged her government will respect the treaty

until it runs out, Mr. Manglapus said.

Mr. Manglapus said that the U.S. ambassador, Nicholas Platt, will lead the five-member U.S. team.

Mr. Manglapus will head the Philippine delegation, which will include the secretaries of defense, labor and finance.

Mr. Curtis, a U.S. citizen hunting a treasure trove in Manila, told the Philippine Senate on Tuesday that former President Ferdinand E. Marcos had sent gunmen to kill him after he helped Mr. Marcos locate buried gold, Reuters reported from Manila.

Mr. Curtis, 58, a precious metals expert, said Mr. Marcos hired him in 1975 to help find gold supposedly hidden by Japanese troops during World War II but later expelled him from the Philippines.

"I left here with my life, by the skin of my teeth," he told a Senate investigation committee.

He said that Mr. Marcos's then chief of staff, General Fabian C. Ver, made a deal with the U.S. underworld to kill him.

Earlier, Mr. Curtis said Mr. Marcos wanted to kill him because he knew where the gold was hidden.

Mr. Curtis was ordered to appear before the committee amid controversy over his renewed search for the treasure.

He said he is within days of unearthing about 440 tons of bullion, worth about \$7.7 billion, which his Nevada-based company, International Precious Metals, has "pinned" through detecting equipment.



Robert Curtis testifying about his gold hunt in Manila on Tuesday.

Contra Leader Rejects Managua Plan for Talks

The Associated Press

MANAGUA — Adolfo Calero, a Nicaraguan rebel leader, said Tuesday that the contra guerrillas would not attend cease-fire negotiations that the Sandinista government had scheduled to begin Wednesday in Nicaragua.

Mr. Calero said in a telephone interview from Miami that government officials talked to the rebel leaders on Monday "at the last minute" to tell them "that they were ready for a meeting."

"Apparently what the Sandinista government wants is a unilateral show," he said. "We are not willing to attend a unilateral meeting set up by the Sandinistas."

Mr. Calero's refusal came despite an announcement late Monday by President Daniel Ortega Saavedra of Nicaragua that Cardinal Miguel Obando y Bravo, the country's Roman Catholic primate, and João Baena Soares, secretary-general of the Organization of American States, had agreed to serve as witnesses to the cease-fire talks.

Three days of talks were scheduled to be held at the frontier post of Sapoá.

Mr. Calero said the rebels might agree to hold talks at a later date in Sapoá.

He complained that the government had not responded to a statement the rebels had issued last week that included a call for the talks to center on wider issues than just arrangements for a cease-fire between the warring sides.

Mr. Ortega had proposed the talks last week and had said that Cardinal Obando y Bravo would no longer serve as a mediator.

Mr. Ortega said the government delegation to the talks would be headed by his brother, Defense Minister Humberto Ortega, who is one of nine members on the ruling National Directorate.

The contras named Mr. Calero to head their delegation.

The government maintains that the talks should focus on the laying down of arms as outlined in the regional peace plan signed last August by the presidents of Nicaragua, El Salvador, Guatemala, Costa Rica and Honduras.

The rebels want the discussions to be expanded to include a proposal put forth last month in Guatemala City by the cardinal. His agenda called for the government to grant total amnesty to political prisoners, review a mandatory military draft law, allow full press freedom and renew a dialogue with its internal opposition. In return for the concessions, the contras were to accept a 30-day cease-fire.

Plans for Contra Aid

The White House says it is working with congressional leaders from both parties to fashion a new proposal for aiding the Nicaraguan rebels. The New York Times reported from Washington.

Over the weekend, President Ronald Reagan talked at length with Representative Robert H. Michel of Illinois, the Republican leader, and Senator David L. Boren, an Oklahoma Democrat, about producing an aid package for the contras.

"We will come up with one," said Martin Fitzwater, Mr. Reagan's spokesman.

For the moment, the spokesman said, the Reagan administration is talking only about a "humanitarian package" that apparently excludes weapons and ammunition. "We don't want lethal aid," he added.

But in the long run, particularly if peace talks in Central America break down, the administration still hopes to supply the contras with military assistance.

Last Thursday, the House of Representatives defeated a plan drafted by Democratic leaders to give the contras \$30.8 million in aid, exclusively for such items as medicine, food, and clothing.

Shuttle Payments Revealed

Family Annuities Worth \$7 Million

New York Times Service

WASHINGTON — Families of four astronauts who died in the explosion of the space shuttle Challenger are receiving a total of \$7.7 million worth of tax-free annuities from the federal government and the rocket manufacturer, documents released by the Justice Department show.

The agreement was reached 15 months ago but disclosed only Monday. It calls for the rocket maker, Morton Thiokol Inc., which was blamed for the accident, to pay 60 percent of the settlement and the U.S. government to pay the rest.

The settlements were reached by the government and the company with the immediate survivors of the Challenger commander, Francis R. Scobee, 46, a retired air force officer employed by the National Aeronautics and Space Administration; a mission specialist, Lieutenant Colonel Ellison S. Onizuka, 39, of the air force; the payload specialist, Gregory Jarvis, 41, an employee of Hughes Aircraft Co., a subsidiary of General Motors Corp.; and Christa McAuliffe, 37, a high school teacher.

Seven astronauts died when Challenger exploded shortly after lift-off from Cape Canaveral, Florida, on Jan. 28, 1986. A presidential commission found that a jet of hot gas had leaked through a joint in a solid-fuel booster rocket, built by Morton Thiokol, and ignited the main fuel tank.

The annuities cost an average of \$1.9 million each. The documents released to settle a civil lawsuit brought under the Freedom of Information Act by seven news organizations did not break down how much each family would receive. The families stand to receive more than the face values of the annuities because of accrued interest over many years.

Amy Brown, a Justice Department spokeswoman, said the department would not comment on details of the agreement, including why it was decided that Morton Thiokol would pay a majority of the cost of buying the annuities.

Relatives of two other astronauts reached settlements with Morton Thiokol that did not involve the government. A seventh claim is still pending.

AMERICAN TOPICS

U.S. Archive Offers The Global Picture

Nonmilitary satellite photographs that cover the globe are housed in the U.S. Earth Resources Observation Systems Data Center, or EOS, on the South Dakota prairie, where they are processed and stored. They are on sale to the general public. The archive, opened in 1973, draws as many as 200 tourists a day during the summer. Prints can be ordered by mail (EOS Data Center, Sioux Falls, South Dakota 57198, U.S.A.). Prices vary from \$5 for a small black-and-white print to \$300 for 40 inches square (about a square meter) enlarged infrared print in color.

More than six million pictures are stacked on shelves. The New York Times says that among those using the photos are city planners, geographers studying deserts, and people who want pictures of their home towns taken from outer space in fine enough detail to show streets and airports.

Military spy satellites can record features as small as one meter across, but Landsat satellites beaming to the EOS archive are more limited.

Ronald E. Beck, an archive

spokesman, recalled that a few years ago a man telephoned to say he was having an outdoor wedding and wondered if it was possible to have a satellite snap a picture while everyone in the wedding party looked up and smiled. "I told him," Mr. Beck said, "it would work only if he or his wife were 30 meters wide."

Short Takes

The threat of malpractice suits has caused 12 percent of the obstetricians in the United States to close their practices in each of the past two years, according to the American College of Obstetricians and Gynecologists. The average malpractice insurance premium rose to \$37,015 in 1987 from \$10,946 in 1982. Seven out of 10 doctors in the field have been sued at least once.

Bernhard H. Goetz, New York's so-called "subway vigilante," has inherited \$140,550 from his father's estate but faces huge legal bills, according to Joseph Kelder, one of his lawyers. Mr. Goetz, 40, an electrical engineer, was sentenced in October to six months in prison for carrying an unlicensed gun, which he used to shoot and wound four teen-agers who had accosted him. He is free on \$5,000 bond while his case is appealed.

After 15 years of collecting loose change, Lloyd Woods of Paragould, Arkansas, used it to pay for a \$14,000 pickup truck. The change filled the beds of three borrowed trucks. "I've nev-

er bought anything with change in my life," he said. "If I bought a penny box of matches, I'd break a dollar and take the change home and save it."

The White House has selected its new executive chef, the first to have been promoted from within the ranks of the kitchen staff, according to Gary Walters, chief usher. Hans Raffert, 61, moved up from chief assistant to Henry Haller, who retired in October at 65. The German-born Mr. Raffert had been acting executive chef since January, when Mr. Haller's successor, Jon Hill, left after five months.

A Leap Year baby in 1960, Janet Cunningham of Severna Park, Maryland, gave birth to a daughter, 28 years later to the day, Feb. 29, Erin Michelle Cunningham arrived two days ahead of doctors' predictions. "I never expected it," the mother said. "It's not something you plan."

"Future Shock in Iowa," The Washington Post called it when Pierre S. Du Pont 4th, who has dropped out of the Republican presidential race, returned to that state to thank staff members and supporters. He also dropped in on James Gannon, editor of The Des Moines Register. "It's the first 1992 presidential visit," Mr. Gannon lamented after Mr. Du Pont left. "I thought we'd have at least a few weeks off."

Arthur Higbee

Salvadoran Party Drops Candidate in U.S. Funds Inquiry

New York Times Service

SAN SALVADOR — Leading officials of the governing Christian Democratic Party have announced that a party member has been dropped as a candidate from this month's election.

The party officials denied allegations of widespread corruption in the Salvadoran government and

promised to investigate the candidate accused of possible corruption.

Alejandro Duarte, the son of President José Napoleón Duarte, denied any connection with the Christian Democratic candidate, Luis Mejía Miranda, whom U.S. officials suspect of misuse of aid money.

Several party officials said Moe-

day that Mr. Mejía will have to clear his name in court and that the party will establish a parliamentary commission to investigate charges of corruption. He could not be reached for comment Monday on allegations that he was involved in the misuse of as much as \$2 million when he served as director of a government agency to help areas of the country afflicted by war.



LE GRAND HOTEL MAXIM'S IN NEW YORK
5TH AVENUE AT 55TH STREET, YET VERY CLOSE TO PARIS.

Close to Asprey's, Cartier's and many other exclusive stores, L'Hotel Maxim's de Paris offers unparalleled convenience — with *lesprit* of a great hotel in the European tradition. And its new Adrienne Restaurant is New York's only fine midtown restaurant directly overlooking Fifth Avenue.

250 luxuriously appointed rooms, including 30 suites and 82 Maxim's rooms. Furnishings, decor in Art Nouveau fashion. Deep-soaking bathtubs, marble bathrooms, telephones with two lines and bathroom extension. European concierge service, with maid service twice daily valet parking, laundry and dry cleaning service available, with one-hour pressing. Tri-Level penthouse spa resort opening

in Summer of 1988, with rooftop-enclosed swimming pool and remarkable views. Luxurious whirlpool, exercise equipment, supervised exercise programs, massage, beauty treatments.

Restaurants and bars: Adrienne, Le Bistro d'Adrienne, The Gotham Lounge, twenty-four-hour room service, banquet and meeting facilities for ten to 120 persons, including a twelve-person boardroom.

Single accommodations, \$210 to \$325. Doubles, \$225 to \$325. One-bedroom suites, \$480-\$800. Two-bedroom suites, from \$950. Presidential Suite, \$2,500.

10% commission paid promptly. All major credit cards honored. Taxes additional. All rates in U.S. dollars.



L'Hotel Maxim's de Paris, at The Gotham, 700 Fifth Avenue, New York, New York 10019
Operated by Pratt Hotel Corporation. All rates based on availability, and subject to change without notice.
Represented by NLS LRLAWSON in UK 0-800-282-811, in London 541-1999. Telex 21237

We now offer an even wider choice.

ARRIVALS

JAPAN AIR LINES NEW NON-STOP SERVICE FROM FRANKFURT TO TOKYO. EVERY SATURDAY AT 1710.

From April we have an even wider choice of non-stop flights to Tokyo. And with 8 non-stop flights leaving from Paris and London, our convenient evening departures offer even better connections from Europe. We widen your options, as you broaden your horizons.



JAPAN AIR LINES

Herald Tribune

NATO Procrastinates

NATO leaders left Brussels happy last week, and not surprisingly, they heartily endorsed the Euro-missile treaty, reaffirmed the U.S. commitment to the alliance and welcomed efforts at European defense cooperation. They also avoided details on all the hard questions: conventional arms talks, modernization of battlefield nuclear missiles, strategy and burden-sharing. But as soon as the next Soviet-American summit session passes in the spring, the leaders would do well to get down to these questions. The North Atlantic Treaty Organization needs a detailed approach to the new conventional arms talks opening later this year in Vienna. Moscow has been making noises about changing its military strategy, to emphasize defense over offense, and offering asymmetrical arms cuts. NATO should test this with a carefully thought-out proposal. On the dispute over battlefield nuclear weapons, the NATO meeting's compromise merely postponed resolution. West Germany's feeling of being the battlefield for these weapons will continue to translate into pressure for further cuts in European nuclear forces, and this will conflict with an alliance commitment to modernization. NATO should grapple with this in the framework of setting future arms control priorities. NATO could also use a hard look at its doctrinal underpinnings. President Reagan's flights of rhetoric on eliminating nuclear weapons or making them obsolete by shielding the United States with space-based defenses have made Europe anxious about U.S. allegiance to nuclear deterrence. Finally there is burden-sharing. The idea that the United States spends too much defending Western Europe is gaining currency in the U.S. Congress and in the presidential campaign. Similarly, Europe grows ever surer that the United States simply will pull out some of its troops soon. With pressures to reduce military spending throughout the alliance, the issue has to be debated. Thus energies might be drawn away from Euro-busting and into more thoughtful responses to new fiscal and political facts. Whatever NATO's internal differences, it is a hardy creature, likely to muddle through no matter what. Some read this hardiness as reason not to tinker. But NATO does far better to use this strength to tackle the hard work that could make a stronger alliance. — THE WASHINGTON POST.

AIDS Exaggerations

The cover of this week's Newsweek features the rumpled sheets of an empty double bed. That is the teaser for a rumpled, alarming article: It implies that the AIDS virus can be spread by casual contact; declares the risk of being infected by a blood transfusion to be seven times greater than the best current estimates; warns that the epidemic among heterosexuals "will now begin to escalate at a frightening pace." That none of these assertions is at all probable need no great surprise. The authors — William Masters, Virginia Johnson and Robert Kolodny — are sex therapists with no particular expertise in the epidemiology of AIDS, and their work has not been reviewed by experts, as is usual in scientific claims. The authors base their conclusions on a survey in which they found a high prevalence of the AIDS virus in two of four cities. Participants stated that they were not gay or addicted, the primary risk characteristics; but they were not interviewed to verify those assertions. Yet the authors declare, "The AIDS virus is now running rampant in the heterosexual community." A wealth of surveys indicates that it is not true. The authors revive all the old fears about AIDS, while ignoring abundant empirical evidence that has laid them to rest. "It is theoretically possible to be exposed [to the virus] in a restaurant," they say in the book from which the Newsweek article was derived. By the same logic, people could be infected in the home, schools or workplace. Yet an abundance of careful evidence shows that this does not happen. "Discrimination and paranoia are of course to be deplored," say the authors. So are those who invite them without cause. — THE NEW YORK TIMES.

A Tale of Sister Cities

Tokyo and New York have been sister cities since 1960, but little more than good will came of it until 1986. Then New York sent officials on visits to Tokyo, funded by the United States-Japan Foundation and managed by the Fund for the City of New York. The visits proved so fruitful that the fund now hopes to continue the exchanges. One consequence concerns so simple a matter as traffic cones. Lou Riccio, deputy commissioner of highway operations, visited a night construction operation on the Cross Bronx Expressway. He found that the site, marked by sawhorses, flashers, and plastic traffic cones, was barely visible to passing drivers. In Tokyo he had seen construction marked by traffic cones illuminated from within. The next night, improvised lighted cones brightened the area. On a grander scale, the New Yorkers learned how Tokyo has built three waste landfills offshore. This was an exciting discovery. Tokyo waste is contained by concrete walls implanted in the ocean floor. When these giant bins are filled, they are sealed and become the foundations for environmentally safe islands to be used for recreation. Tokyo also offered new insight into air pollution. Its taxis use propane fuel, which pollutes less. That emboldens New Yorkers to test methanol and compressed gas in municipal vehicles. City transportation managers are also studying the laying of asphalt in Tokyo, where streets are unusually smooth. The Japanese have learned some lessons from New York. In the early '60s, Tokyo adopted a fire code for high-rise buildings based on New York regulations. Later this year the first contingent of Tokyo managers will arrive to focus on "New York pathologies" such as drug abuse, delinquency, AIDS and homelessness. The Japanese hope to learn how New York deals with problems that could well increase in their own cities. So far, 45 New York City officials have visited Japan, with results so valuable that it seems petty for Mayor Edward I. Koch to insist on changing the trips against vacation time. If corporate support can be secured to continue the program, the results would be a tale of two cities worth telling. — THE NEW YORK TIMES.

Other Comment

The Shaping of a New Ireland. If, over the coming two or three years, [Charles] Haughey's government succeeds in restoring a measure of economic prosperity, there will be a deal of public gratitude. In the perspective of history, on the other hand, that success will be set against the great losses of these years: the cutting back in social services; the hundreds of thousands unemployed; the disappearance of a whole generation of young Irish men and women, obliged to seek a living abroad. Historians may even be churlish enough to observe that Mr. Haughey, as leader of Fianna Fail, merely set about undoing the damage caused by earlier governments in which he himself was a minister; and that in any event he had no range of choices by the time he came to office, facing an economy in crisis. Mr. Haughey himself tends to the view that political repudiations grounded on simple economic heroics tend to be ephemeral. At an early stage of his teaport diplomacy with [Margaret] Thatcher, it is said, he reminded her that the names which stand large in the history of statecraft are not those of prime ministers who knocked a few points off the rate of inflation. Rather, it is those who reshape and define the nature of states, and the relations between states, who stand out in the history books. Mr. Haughey put it to Mrs. Thatcher that together they might put on the table the "totality of relationships" between Ireland and Britain. Later came the Forum, inspired principally by John Hume and Garret FitzGerald. The processes of diplomacy and negotiation which followed led to the Hillsborough Agreement. The next phase is that in which the two governments, the Unionists of the North and those nationalists who are willing to put aside violence and work the constitutional process come together to attempt the shaping of a new Ireland. It is the phase which may never come to fruition, for it is the most difficult and dangerous one. Political careers and reputations will be on the line. Those who lack courage or who are unwilling to take risks will have no significant place in the process — other, perhaps, than to block it. Mr. Haughey thus finds himself, willingly or otherwise, at the point where he can have a primary role, as the leader of this Republic, in attempting to shape the new Ireland of the 21st century. Equally, if he wishes, he can retreat into traditional certainties and bring the entire process to a halt for a generation, perhaps longer. When he speaks, as he has done, to the Unionists, offering talks without preconditions, or when he seeks to frame positions on matters such as devolution or power sharing, these are the historical options he faces for himself. Mr. Haughey would probably prefer to be in the history books as the man who completed the architecture of a new Ireland than as an efficient accountant. — The Irish Times (Dublin).

Meanwhile, Death in Gibraltar

The "neutralizing" of three known Irish terrorists is a victory for the [British] intelligence and security services. But the government, unless it wishes Britain's enemies to enjoy a propaganda bonanza, should explain why it was necessary to shoot dead all three terrorists on the street, rather than apprehend them with the considerable force which appears to have been deployed in the locality. Few British people will mourn the deaths of members of the IRA. But it is an essential aspect of any successful anti-terrorist policy to maintain the principles of civilized restraint which obtains in a democratic society. — The Daily Telegraph (London).

INTERNATIONAL HERALD TRIBUNE

JOHN HAY WHITNEY, Chairman 1988-1992

KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER Co-Chairmen

LEE W. HUBNER, Publisher

JOHN VINOCCUR, Executive Editor • WALTER WELLS, News Editor • SAMUEL ART, KATHERINE KNORR and CHARLES MITCHELMORE, Deputy Editors • CARL GEWIRTZ, Associate Editor • ROBERT J. DONAHUE, Editor of the Editorial Pages

RENÉ BONDY, Deputy Publisher • ALAIN LECOUR and RICHARD H. MORGAN, Associate Publishers • FRANÇOIS DESMAISON, Circulation Director • ROLF D. KRANEPUHL, Advertising Sales Director • KOURDTI HOWELL, Director, Information Systems

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92200 Neuilly-sur-Seine, France. Tel.: (1)-46.37.93.00. Telex: Advertising, 612832; Editorial, 612718; Production, 630998.

Directeur de la publication: Walter N. Thayer

Editor for Asia: Michael Richardson, 5 Cantonment Rd., Singapore 0511. Tel: 472-7768. Telex: R356028

Managing Dir. Asia: Malcolm Glenn, 50 Gloucester Road, Hong Kong. Tel: 5-8610616. Telex: 61170

Managing Dir. U.K.: Robin MacKichan, 63 Long Acre, London WC2E 9LF. Tel: 836-8000. Telex: 262009

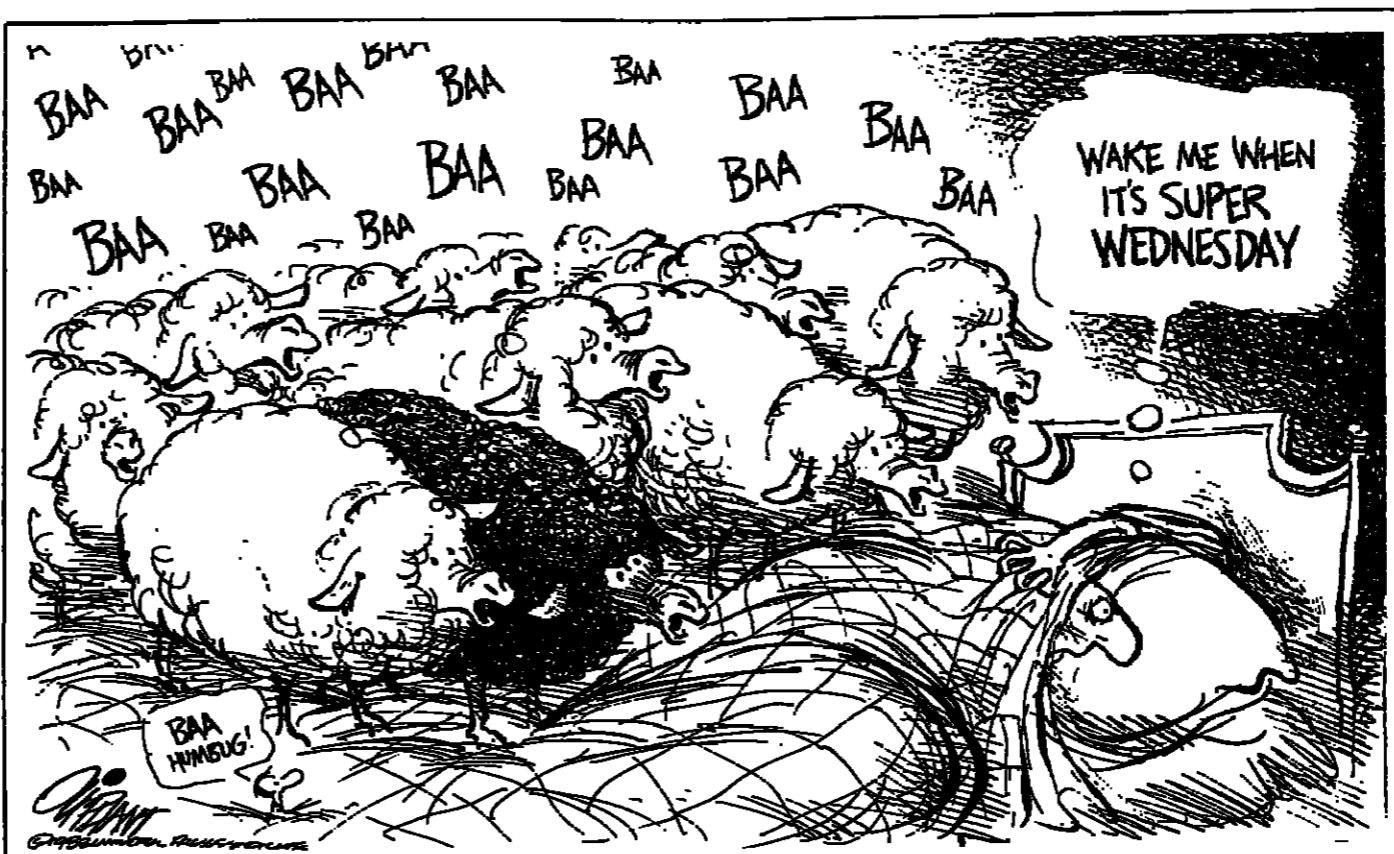
Gen. Mgr. W. Germany: W. Lauerbach, Friedrichstr. 11, 10000 Frankfurt. Tel: (089) 72633. Telex: 616721

Print. U.S.: Michael Combs, 280 Third Ave., New York, N.Y. 10025. Tel: (212) 755-3880. Telex: 627175

S.A. au capital de 1.200.000 F. RCS Nanterre B 733021126. Commission Paritaire No. 61337

© 1988, International Herald Tribune. All rights reserved. ISSN: 0294-8052.

OPINION



Downriver, Pondering The Source

By Jim Hoagland
PARIS — The phone rings more often these days with requests from friends for information on Le gouverneur Dew-coq-les and his equally mysterious (although more pronounceable) colleagues in the Democratic primaries. European interest rises now that New Hampshire and Super Tuesday have moved the focus to the personalities of a few identifiable front-runners. Foreigners care about U.S. elections in a way Americans do not care about theirs. They know that the quills and whiskies of Occupant, 1600 Pennsylvania Avenue, can touch their lives directly because of America's economic and military power. The current fashion of talking up an alleged shrinking of U.S. power abroad has not changed this. America's overseas friends and opponents still cringe or heave sighs of relief on a regular basis depending on the campaign news from the United States. The only close U.S. equivalent is the kind of attention Americans rivet on the sign of a power struggle in the Kremlin. And in years like this, some Europeans argue that the U.S. process is as opaque for them as Kremlin proceedings are for Americans. At a Paris dinner, conversation turns to the two reverends and their campaigns, which are assumed here to be the endeavors of ego-tripping fringe candidates. The notion put forward by an American that Jesse Jackson and Pat Robertson are likely to wind up influencing the platform and perhaps even the cabinet choices of their parties provokes amusement and patronizing astonishment. But it quickly disappears at the memory of similar distaste about the chances of a certain peanut farmer, and a certain B-movie actor, at this stage of their careers. The subject is abruptly changed into something less mysterious and threatening. The French go to the polls in late spring to elect a president themselves, and they are indulging in a lot of hard-wiggling over a mounting sensation that they are conducting presidential campaign à l'américaine. Georges Marchais, the national Communist Party boss and no friend of America's, seized on an interviewer's use of that phrase in a recent television broadcast to define this dreadful affliction. This year opinion polls are taken about the look of the candidate, the look of the candidate's wife, Mr. Marchais said sourly. It is simply ridiculous, this American obsession with appearance, which avoids talking about our troubles. People are going to be displeased by this show in which they are asked to vote for someone's tie, his profile, his shape. The French are certainly complaining the candidates are taking refuge in grand generalities and not discussing ideological issues. They castigate the media for concentrating on the horse-race aspects of opinion polls. The British seem to be having much more fun, and producing some of the most trenchant questioning and commentary about the U.S. campaign. Stephen Milligan of The Sunday Times of London told his readers recently that Governor Michael Dukakis is as stinky "as hell, which is handy when the biggest issue of 1988 is the need to cut the budget deficit — not foreign policy, he is decidedly less impressive. When I asked Dukakis what his view on Northern Ireland was, he was at a loss. He mumbled that he was in favor of human rights and then inquired of me what was happening in Ireland." On the opposite side of the aisle, George Bush looks like the sure Republican nominee to Peter Jenkins of The Independent, who writes, "He may not be wonderful, but he has eaten more Republican chicken than anyone." Mr. Jenkins, who acknowledges that he, too, is diminutive, describes the theory that nobody as short as Mr. Dukakis can become president. Alexander Haig, a recent dropout from all this, knows how odd what he has been doing looks to foreigners. He tells how Mohammed Zia ul-Haq, the Pakistani president, likes being a friend of the United States to living on the banks of a great river: The soil is fertile, but every four or eight years the river is flooded by storms too far away to be seen. It changes course and you are left in a desert, alone. With the distant storms of Super Tuesday out of the way, the river gubbers force again. Those on its banks will be peering with new interest, and concern, for signs of a new course. Americans should pause from time to time to remember that it is their choice, but it does not affect them alone. — The Washington Post.

The Historians' Report on Waldheim Is Damning

By Jehuda Wallach
TEL AVIV — After an intensive investigation lasting almost six months, the International Commission of Historians Designated to Establish the Military Service of Lieutenant Kurt Waldheim handed his final report to the Austrian government on Feb. 8. The last paragraph of this 202-page report states: "Waldheim's representation of his military past is in many points not in harmony with the findings of the commission's research. He had made every effort to let oblivion settle over his military past, and when this was no longer possible he tried to minimize the facts. The commission considered his forthrightness in being of such overwhelming importance that it could not receive from Waldheim any useful information for its work. This is evident from the records of the commission's interrogation of Waldheim." The strange phenomenon of Mr. Waldheim's behavior is evident in almost all the facts investigated by the commission. One example is the deportation of the Jews of Salonika, who comprised a quarter of the population, more than 50,000 people, before the war. In February 1943 they were ordered to wear the yellow star identifying them as Jews and to leave their houses and "settle" in a designated ghetto. From March to August they were transported under inhuman conditions to the Auschwitz death camp, where almost all of them perished in the gas chambers. Lieutenant Waldheim had spent long periods in Arskali on the outskirts of Salonika as an officer in the intelligence branch of the headquarters of German Army Group E. Still, he claimed in a letter to the World Jewish Congress dated March 7, 1966, that "the deportation of Jews from Greece as I have learned from research brought to my attention recently had not been carried out by regular army units. At any rate, I for my part have never been informed about or involved in such activities." In a memorandum to the U.S. Justice Department on April 6, 1966, he wrote: "I said the truth when I claimed to have been unaware of the deportation of Jews from Salonika until recently." In a letter to a British member of Parliament on Oct. 11, 1966, Mr. Waldheim again claimed ignorance of the Salonika deportations. But in a September 1987 interview with Daniel Johnson of The Daily Telegraph of London, Mr. Waldheim said: "Of course we were aware that there were camps. I can assure you I did not know that there were these gas chambers. I did not know what was being done to the Jews." Although witnesses summoned by the commission acknowledged awareness of what happened to the Jews of Salonika, the Austrian president, when asked by the commission on Jan. 28, still denied any knowledge, claiming that at the time of the deportations he was not there. He said he seldom went downtown and was unable to recognize the disappearance of a quarter of the town's population and of the huge ancient Jewish cemetery not far from Salonika, which was leveled. Mr. Waldheim has claimed that Wehrmacht units were not involved in the deportation of Greek and Yugoslav Jews. But facts established by the commission prove the opposite. Even a superficial reading of the commission's report will reveal that in almost every case investigated, Mr. Waldheim had adopted the tactics of first denying the facts and only gradually and reluctantly admitting things when confronted with indisputable documentary evidence. He continues to present his role on the staff of army Group E in the Balkans as some sort of minor "desk officer," moving colored pins on maps and dealing with routine paperwork. The picture appearing from the documentation is very different. Lieutenant Waldheim not only was a well-informed officer who took part in consultations on the highest level. As an intelligence officer, he contributed to the decision-making process and, the commission concluded, "he had an overall view that was not confined to tactical, strategic and administrative measures, but included in some instances actions and measures that were contrary to the law of war and principles of humanity." Then what led President Waldheim to initiate the appointment of a commission of inquiry named by historians? As a former intelligence officer and an experienced politician, he knew there was a trail of incriminating documents bearing his signature or initials. Did he really believe that these would not be discovered? In fact, his request to the Austrian government to establish an inquiry commission was triggered by publication by the World Jewish Congress of hundreds of relevant documents found in the U.S. National Archives and in the archives of the Federal Republic of Germany. Did Mr. Waldheim and his supporters really expect that competent, experienced historians would interpret this documentary evidence in a way that would whitewash the president? I have been pondering this question since I received from the Austrian Foreign Ministry the first packet of documents concerning the wartime activities of Lieutenant Waldheim. Psychologists might be better equipped to grapple with this question than I as a historian. Perhaps they can also tell us why this man now refuses to recognize the proper meaning of the historians' report and to draw the obvious conclusions. The dubious attempt by the Austrian foreign minister, the Austrian media and the president to interpret the report as refuting the allegations against Mr. Waldheim were short-lived. Everybody reading the report understands that the commission's findings by no means rehabilitate Mr. Waldheim. Quite the opposite is true. — The Washington Post.

Anyone for National Reconciliation?

By Graham E. Fuller
WASHINGTON — What must other Soviet clients be thinking as Moscow moves nearer to pulling its troops out of Afghanistan? After all, Major General Najib, the head of the Afghan party, is the prototype of the loyal Moscow man. He has tried a process of "national reconciliation" in the past half year to broaden the basis of the Kabul regime. It has fallen flat. But Major General Najib is nothing if not dogged. He continues to herald the process of national reconciliation. He has now begun to travel abroad and recommend the concept to fellow party leaders in other Soviet client states. In January he told his hosts on Vietnamese television that the Afghan model for national reconciliation was also "the way forward for some countries such as Cambodia, Nicaragua, Angola, Ethiopia and so on who are fighting for revolutionary transformation and territorial integrity." Soviet commentators and diplomats have described the Soviet approach to Afghanistan as a model for resolving conflicts affecting other client states. But Afghanistan would appear to be the last place where Soviet leaders would want to experiment with "national reconciliation" — which in the end seems to mean cutting loose these losing regimes, leaving them to sink or swim. One Soviet commentator suggests that the ruling party, the People's Democratic Party of Afghanistan, has been given its historic chance but has failed — and therefore does not deserve any more Soviet sacrifice. Moscow will not even seek to guarantee the survival of the party into the future. Let the Afghans themselves determine their future. Marx, Lenin and Brezhnev would roll over in their graves! Since when have the criteria of paying one's own way and running a successful regime been dominant in the Soviet bloc? Can Moscow abandon ideology, the wave of history and the struggle against imperialism so easily? Amazingly, Moscow even seems willing to risk the conclusion by the Moslem world that it was Islamic fervor that played the major role in bringing down the Communist regime. What does this mean for the other Soviet client regimes that are trying to ride the wave of history without being dominant in the Soviet bloc? Russia will always be a great power with world ambitions. It undoubtedly will pose many challenges. But we may now be witnessing the sharp diminution of the ideological component driving Moscow's behavior. The millennium may not be here, but a Russia driven by a nonideological, more flexible decision-making process is good news. I would rather take my chances in that kind of a world than I would with Stalin's, Khrushchev's or Brezhnev's Russia. — The writer was vice chairman of the National Intelligence Council at the CIA before retiring from government in 1987. He contributed this comment to The Washington Post.

A Future for Jackson and His Message

By David S. Broder
OKLAHOMA CITY — Comparing Jesse Jackson's oratory with that of other Democratic presidential candidates is like comparing a mighty organ with a kazoo band. This time, unlike last, he is filling the hall with music, not trying to knock down the walls with the sheer volume and vibrations of the sound he makes. To see Mr. Jackson with a predominantly black crowd anywhere in the Deep South is to be reminded that politics is about energy and emotion, not just abstract ideas. It is a lesson Michael Dukakis and Albert Gore and even Richard Gephardt could pay Mr. Jackson to teach them. To see Mr. Jackson with thoroughly integrated audiences in Oklahoma City, one of the most conservative cities in the country, as I did last week, is to sense his potential as a major figure in America's political future. I say that with some trepidation, for I have seen Mr. Jackson disappoint people's hopes so often, by going for the quick publicity payoff rather than the long-term gain, or simply by losing interest in a project and streaking off down a new path. Last week, one of the South's most prominent black elected officials, a man who has known Mr. Jackson for more than two decades, told me in strong terms that there was "no way" Jesse Jackson could be brought into a leadership role in the 1988 Democratic campaign or the next Democratic administration. "Any votes he would gain, they'd be more than offset by those he would cost the Democrats," he said. "There's nothing you can give him that wouldn't hurt you. And there's no way he's going to be a member of anybody else's team or administration. A president could never trust him." That has been my view the last five years, since Mr. Jackson started playing presidential politics seriously. But it is a view that may need revision. When Mr. Jackson told the 1984 convention, "God is not finished with me yet," he seems to have been telling the truth. He is different at 46, this year, than he was at 42, and it would be foolish to assume that he has exhausted his capacity for growth. Mr. Jackson has put aside the gripping about party rules and procedures that was a constant, distracting undertone to his 1984 campaign. He has moved away from his radical allies and surrounded himself with young pros, both black and white, who reinforce the commitment to play coalition politics within accepted bounds. Most important, he has taken command of two issues that are of fundamental import, not only to his candidacy for the nomination but to the Democrats' chances in November. One of those issues is the drug menace, which threatens industry and business, schools and communities, families of all races. If ever an issue has jumped party lines, ideological lines, racial lines and class lines, that issue is drugs. And nobody speaks to it, especially as it affects the young, with more force, authority and conviction than Jesse Jackson. Not even the most hawkish conservative will challenge the statement Mr. Jackson made at an Oklahoma City high school, and in dozens of other settings around the country: that drugs threaten the security of the nation and the vitality of the economy at least as much as Soviet power. Nor would anyone disagree that the United States has spent trillions to keep the Russians in check but is losing the war against drugs. No one can be unmoved watching Mr. Jackson in a high school, talking without a hint of sentimentality, about the inescapable responsibility each person bears for this problem. "A president, a government can stop the flow of drugs into this country," he says, in his sternest tone. "But only you can stop the flow of drugs into your nose and your veins." Mr. Jackson is believed because he knows whereof he speaks, on this and on his other issues: poverty. "I know the underclass," he says, "because I was part of it. And I know how to get people out of the underclass, because I got out myself." Some of the solution, he says, simply recalls the kind of measures Democrats have sponsored in the past to help people who were working or seeking work: improved minimum-wage laws, health care measures, housing programs. Nothing radical. The rest is individually responsibility. "You are not a man just 'cause you make a baby,'" Mr. Jackson told these students. "And you young ladies, [pregnancy] is a short-term thrill and a long-term chill for you. How do I know? Because I am the son of a teenage mother, who was the daughter of a teen-age mother. I never lived in a house with my father one night of my life. So I speak as one who knows: I speak with moral authority." There was no stirring or whispering as he spoke. There was an intensity of listening that one rarely experiences. If Mr. Jackson is not the Democratic nominee, that nominee needs to get out with him, hear what he is saying, gauge the response, and then find his own way to speak with conviction to those themes. The Jackson message of 1988 is one of strength in a fight for national survival, the fight against drugs, and of compassion rooted in individual responsibility in the age-old fight for human dignity. There is a place for the message and the messenger in the politics of 1988, and beyond. — The Washington Post.

100, 75 AND 50 YEARS AGO

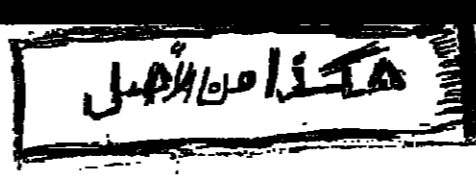
1888: Salvationists Jailed
LONDON — Fifty-one summonses were heard before the Torquay magistrates today [March 8] against members of the Salvation Army for taking part on the past four Sundays in street processions with instrumental music. Fifteen of the defendants were sentenced to terms of imprisonment ranging from a fortnight to one month, and a "colonel," George Nicholson, was fined 40 shillings.

1938: Kennedy's Tasks
PARIS — [The Herald says] The presentation [on March 8] of credentials to King George VI by Joseph P. Kennedy, the new American Ambassador to Great Britain, was an event of more than ceremonial significance. It marks the formal entry on the diplomatic stage of a man still young, but with a remarkable career behind him, at a moment when the economic and political relations between the United States and Great Britain are being built up on a new basis. Conversations for an Anglo-American commercial treaty are sufficiently advanced to usher in the negotiation stage. On Mr. Kennedy will fall the double task of negotiating the treaty and of defining a stable form of Anglo-American political cooperation.

1913: Let Mexico Be?
NEW YORK — There is variation in editorial opinions regarding whether the United States should control Mexico. The Houston Post says: "If the strife be prolonged there will be uprisings throughout the Republic and a season of brigandage that may ultimately bring widespread anarchy, but it is not conceivable that the United States will permit the trouble to go so far." The Baltimore Sun says: "If this nation should allow the

lust of conquest to lead it to invade that land it would stultify itself in a most despicable manner." The Philadelphia Ledger says: "Prudence impels our Government to hold aloof."

PARIS — [The Herald says] The presentation [on March 8] of credentials to King George VI by Joseph P. Kennedy, the new American Ambassador to Great Britain, was an event of more than ceremonial significance. It marks the formal entry on the diplomatic stage of a man still young, but with a remarkable career behind him, at a moment when the economic and political relations between the United States and Great Britain are being built up on a new basis. Conversations for an Anglo-American commercial treaty are sufficiently advanced to usher in the negotiation stage. On Mr. Kennedy will fall the double task of negotiating the treaty and of defining a stable form of Anglo-American political cooperation.



OPINION

THE WAR OF THE CITIES

A Critic of Israeli Brutality Is Queasy as Others Join In

By A. M. Rosenthal

NEW YORK — It happens to everybody from time to time. We believe certain things about a matter of important controversy and we say them. But when we hear the same points made by others, we become queasy and know something is wrong or missing.

ON MY MIND

break bones. Israel's use of force against young Palestinians is costing it support around the world. Israel must enter negotiations on Gaza and the West Bank. Right, right. But sometimes when I hear or read these points, which I have made myself, made over and over by others, I find myself deeply uneasy.

This is not true. The cause is 40 years of Arab refusal to accept the existence of Israel, 40 years of hostile hostility and military attempts to destroy it.

You do not have to like Mr. Shamir to realize that if the Arabs had accepted Israel in the beginning or for 20 years thereafter, all of the West Bank and Gaza and other territory would today be part of a Palestinian state.

If you believe that the very existence of Israel is anathema, you are right to see its policies as the root cause of the Middle East ugliness. Otherwise not.

Occupation: Some critics act as if it were Israeli occupation of the West Bank and Gaza in 1967 that led to so many years of unrest and skirmishing there.

Israel Is Still a Democracy

FORTY-FIVE seconds of unbearable images — the CBS report showing Israeli soldiers beating Palestinians shocked world opinion, and the ensuing condemnation was justified. But some overzealous voices now talk of Nazi methods and totalitarianism, words as imbecilic as they are scandalous. For Israel remains a true democracy. The proof: Israeli television broadcast film of the shameful incident. Israelis debated it, the soldiers responsible were arrested, their superior dismissed. The incident was inadmissible precisely because Israel is a democracy.

— Le Journal du Dimanche (Paris)

This too is a historic distortion. It was the Arab countries that seized Gaza and the West Bank, which were to be part of the Palestinian state under the 1947 United Nations partition plan, and occupied them for 20 years — not in peace but with constant harassment and attack against Israel.

Finally Israel struck back. Its unhappy occupation of the West Bank is a result, not the cause, of aggression by Arab aggression.

Negotiation: With whom and for what? The United States proposes an international conference with the Big Five participating. Since Britain and France are cool to Israel and the Soviet Union and China are hostile, the chicken is being invited to negotiate under the sponsorship of four foxes and a lame dove.

Stakes: Israel is fighting for survival. The Arab states are fighting out of anti-Israel hatred and fear of the Palestinians. The young Palestinians are fighting for a new Palestinian state because they hate the ruler of a present state with a Palestinian majority: Jordan. They plan to eliminate King Hussein one day and swallow Jordan as part of their own single Palestine.

As things stand, any ceded West Bank territory will become a de facto state run by the PLO and other Palestinians sworn to destroy Israel. Those young Palestinians would not be hurling stones from their territory but rockets.

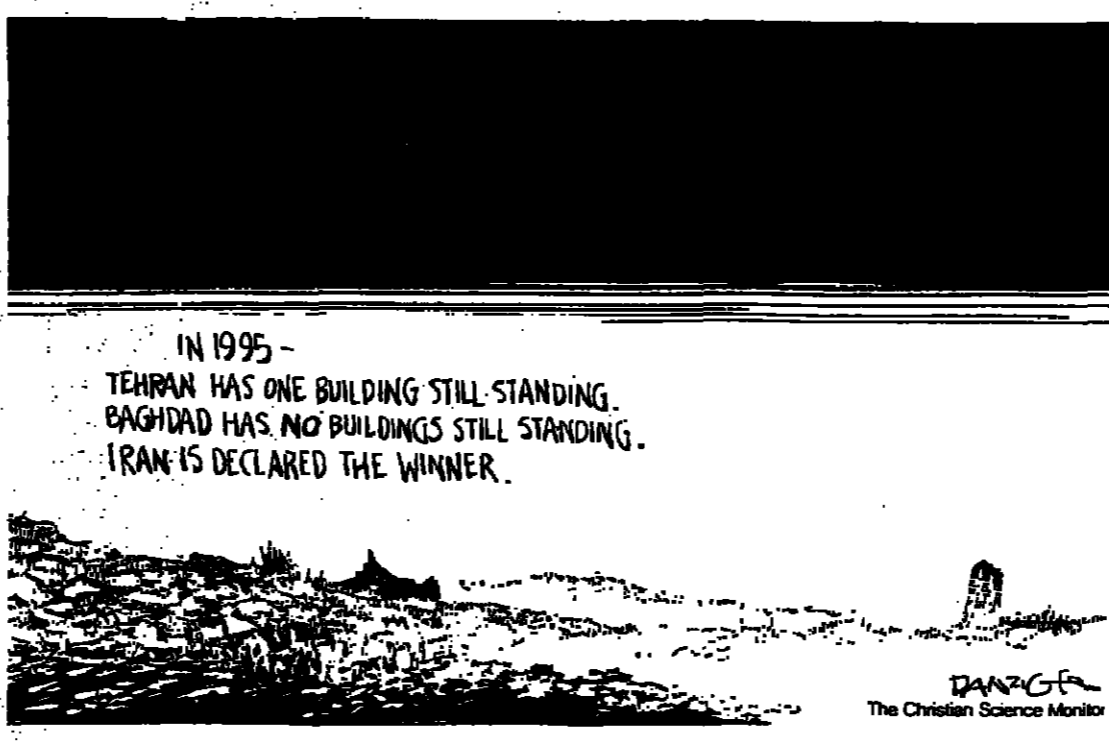
Solutions: Open pressure on Israel to make concessions must be accompanied by open pressure on the Arabs. Palestinians must accept totally and clearly the right of Israel to live forever, secure and in peace. The United States and the Arab leaders can achieve this and guarantee it, if America has the will and the Arabs have the courage.

Mr. Shamir may not promise in advance to cede "territory for peace." That is what direct talks are for.

But the definition of peace cannot mean Palestinians continuing war to the death. And they too must feel hard pressure to do some ceding, specifically of their demand for another Palestinian state in a region where one already exists, and to negotiate in peaceful stages for the eventual goal: a single Jordan-Palestine.

Americans have a right to criticize Israel. They have a right to suggest solutions — but not to suggest suicide.

The New York Times



IN 1995 - TEHRAN HAS ONE BUILDING STILL STANDING. BAGHDAD HAS NO BUILDINGS STILL STANDING. IRAN IS DECLARED THE WINNER.

On the Turkish Horizon

Pamela Harriman hit the nail on the head in her opinion column, "Turkey: These Welcome Trends Call for Applause" (Feb. 23). Turkey has long been a loyal friend of the United States, but recognition of its strategic importance has too often been neglected.

Another point: It is through Turkey's easternmost region that the Soviet Union could most directly realize its dream of reaching the oil fields of the Middle East and the warm-water ports of the Gulf. If Turkey is not given the support it needs — diplomatically, financially, psychologically — it will have an ever tougher time defending itself from terrorists both inside and outside Turkey who are supported and exploited by powers eager to disunite and weaken the country. A weak Turkey could mean the beginning of a momentous shifting of nations and ideologies.

A.K. TANRIVERDI, Eschborn, West Germany.

Pamela Harriman's sweeping survey of the Turkish horizon was made through rose-colored binoculars. She had eyes only for things military — materiel, manpower, Mediterranean ports — not for dissident writers rotting in jail.

Her column is a crudely open solicitation of arms for yet another ally uninterested in human rights but which happens to be on the front line. At least she finally makes clear her stump: Turkey

Letters to the Editor

must be dealt with "on the basis of [its] contributions to regional security"; its contributions to the files of human rights groups will be overlooked.

CHRISTOPHER HOUSTON, Milan.

No Room for Dual Morality

Under a newly improvised and expedient doctrine that "knowledge is responsibility," which the Israeli member of the international historians' commission, Jehuda Wallach, espouses, Kurt Waldheim stands accused of inertia ("Chancellor Says Waldheim Must Decide on Office Tenure," Feb. 10).

Couldn't the pressure that is being applied on Mr. Waldheim to resign be better expended on current problems rather than relentlessly resurrecting an event more than 40 years old? Mr. Waldheim should be tempted — and encouraged — to draw a parallel with events in the West Bank and Gaza Strip. There should be no room for dual morality.

ALI I. GHANDOUR, Chairman, Alia (Royal Jordanian Airline), Amman, Jordan.

Of Gorbachev and God

William Safire's Language column on Feb. 22 could have carried the history of Marx's phrase, "From each according to his ability, to each according to his needs," an interesting step further by referring to General Secretary Mikhail Gorbachev, who has turned the doctrine back to work instead of need.

On Page 31 of his book "Perestroika," Mr. Gorbachev wrote: "We are fully re-

Letters to the Editor

storing the principle of socialism, from each according to his ability, to each according to his work." And on Page 100, in echoes of Saint Simon: "Socialism cannot ensure conditions of life and consumption in accordance with the principle 'From each according to his ability, to each according to his needs.' This will be under communism. Socialism has a different criterion for distributing social benefits: From each according to his ability, to each according to his work." I wonder how the old guard likes that?

CLARK PRATHER, Oxford, England.

Mr. Safire's Language column Feb. 15, on "fury" and other things, was actually readable for once. But how sublime of Mr. Safire to absolve George Bush of the use of profanity when castigating CBS. As far as Mr. Bush is concerned, "god-damn" is obviously a reference to the Deity, albeit an offhand one; hence his apology. When I think of Mr. Safire's usual godforsaken prose, I'm not really thinking of a "lesser god," regardless of whether the "G" is capitalized.

PAUL BIRCHARD, Glasgow.

'Continuity in Authority'

In chiding me for overlooking Vice President George Bush's professed loyalty to his present boss (Letters, Feb. 23), Richard Gibson makes a valid point. We old boys who meet "somewhere in the woods," however, have all worked in corporations or government agencies where a new chief executive coming up from below has no choice but to profess loyalty to existing policies until, once in office, he can quietly make changes. In

Secrets of Memory Power, or, Any Name as Long as It's Bob

By Dave Barry

WASHINGTON — Today we are going to talk about how you can build your Memory Power. You need a good memory to get ahead in the business world, as is exemplified by the famous dead automotive magnate Henry Ford. At the height of his corporate empire, Henry had 60,000 employees, yet he knew every single one of them by name! The name he knew them by was

MEANWHILE

Bob. "Hi, Bob!" he would say, and they would all say "Hi, Mr. Ford!" in unison. Memory Power also is very useful in social situations. Think about how many times at a party you have met somebody you know you have talked to before, but you cannot for the life of you remember this person's name. And then, to add to your embarrassment, this person reminds you that he or she is your spouse! Alas, you are naked. This kind of faux

pas (literally, "hors d'oeuvre") would never occur if you remembered not to have those last four martinis, using the proven Memory Power techniques that we intend to invent later on in this column. But first we need to discover:

How Your Brain Works

Your brain is one of your most important body parts, right up there with the hypoglycemia, which is what prevents your nose hairs from growing beyond a certain point. Psychiatrists, when they are not testifying that ax murderers should be released from prison, tell us that the brain is actually made up of hundreds of billions of cells, each one about the size of a standard restaurant "jumbo" shrimp. These cells are the key to memory.

Say you need to remember something important, such as the telephone number of Bat Conservation International, an organization I am not making up. It is headquartered in Austin, Texas, and its founder is named — I swear — Merlin D. Tuttle. Bat Conservation International is devoted to conserving bats and educating the public about bat myths that are totally incorrect and should never be published, such as that the only thing bats think about, day and night, is swooping down and plucking your eyeballs out.

Bat Conservation International — all this is true — has a whole line of bat-related products such as jewelry, posters and T-shirts, all of which are listed in a catalogue you can obtain by calling (512) 377-9721, but only after sunset. No, he has just a little bat humor there. You should call during regular business hours.

But how do you remember the phone number? Here's where your brain cells swing into action. They break the number down into smaller units — "5," "1" and so on — which they convert into chemicals, which they then lose. They are only cells, after all. Better just jot the number down.

The best memory technique is the "mnemonic device," experts agree. Say you want to remember the name of a certain business contact, Duane. Here's how a mnemonic device could be used to retain this information:

You: I don't know! I swear it! Memory Expert: Perhaps if we set the mnemonic device at 60,000 volts... You: Duane!! His name is Duane!!!

Another excellent technique is walking down a hall. I used this technique recently. Some very nice people, whom I identify here only as "Gene and Electra Miller of Miami Beach, Florida," invited my family and me to dinner, and I said sure, great. About three weeks later I was walking down a hall, and my memory suddenly sprang to life. "Dave," it said, "you were supposed to go to the Millers' yesterday!!!" So, thanks to this memory-jogging device, I was able to make the socially correct gesture, and send Electra my right hand via Federal Express. I am sure that 157 years from now the Millers will have forgotten all about it.

The Washington Post

Letters to the Editor

the world we inhabit, something Max Weber called "continuity in authority" is all-important, and the friends of America whom I see abroad are less disturbed by ongoing policies with which they find fault than by the prospect of drastic changes every four or eight years — such as, for example, they saw at the beginning and end of the Carter administration.

Also, it happens that Mr. Bush's actions with respect to the Iran-contra affair made perfect sense to those "old foreign policy pros" who were in a position to know what they were. I apologize for hiding behind the old "inside information" dodge. It is an unassailable fact, however, that all but a negligible few of the "old pros" now retired in Europe are solidly behind Mr. Bush.

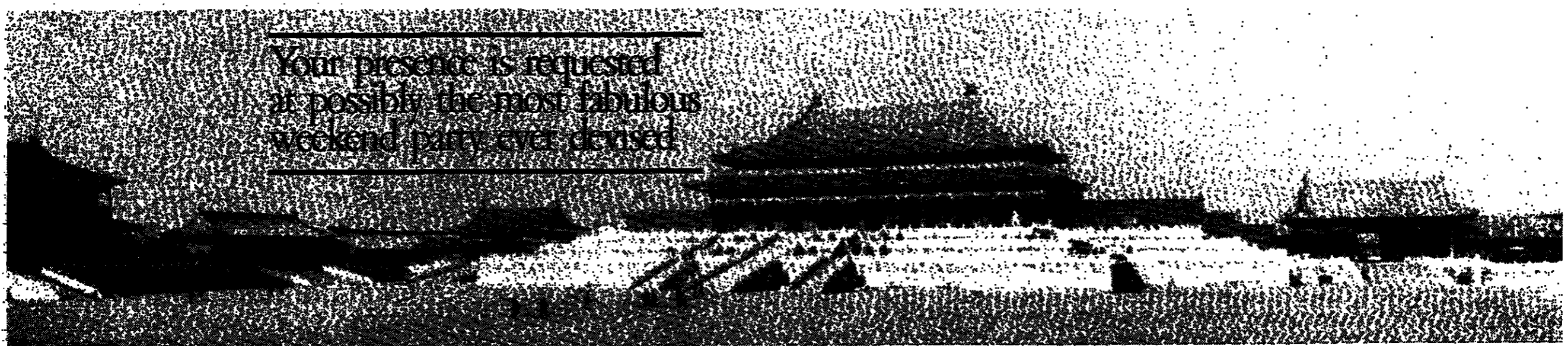
MILES COPELAND, Oxford, England.

A Sporty Supertanker

Regarding the metric conversion for 100 feet in a business article in your Feb. 9 issue ("Developer Would Be Media Mogul"): I am not interested in the gentleman's real estate dealing abilities, but I would be most interested to see the 930-meter-long yacht that you say he owns.

SERGE M. DUBUC, Weissach-Flacht, West Germany.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.



THE RETURN OF MARCO POLO BEIJING June, 1988

Your ten-day journey will include these week-end events:

3 JUNE. A private visit to the Summer Palace with a gondola trip on Lake Kunning to the Isle of Dragons for a luncheon served in the style of the Empress Cixi and a performance by the best singers from the Beijing Opera.

A Venetian masked ball and fireworks display in the pavilions of the Lake of Long Tan Hu with the orchestra "I SOLISTI VENETI".

4 JUNE. An al fresco champagne reception at the Great Wall organized by Maxim's of Paris. Names of participants will be engraved on plaques at the base of the Wall, after a picnic luncheon sponsored by Petrossian.

A brilliant reception at the Great Hall of the People, featuring performances by world-renowned artists: Paolo Conte, Mireille Mathieu,

As the high point of a ten-day journey to historical China, three days of festivities to benefit the restoration and preservation of two of mankind's greatest achievements: the City of Venice and the Great Wall of China. Proceeds to be distributed under the control of UNESCO.

Teresa Berganza, Montserrat Caballé, Mady Mesplé, Maia Plissierskaia, Manuel Legris and Sylvie Guillem accompanied by the Beijing National Orchestra, followed by an all-night surprise cabaret party organized by Maxim's.

5 JUNE. A banquet in the Forbidden City, together with an art auction — under the direction of Sotheby's — of specially designed works by such famous artists as: Amman, Buren, Jenkins, Sol Lewitt, Cesar, Stark, Erro, Keith Haring, J.P. Raynaud, Zao Wou Ki, Walter Dahn, Vasarely.

Unforgettable visits to Xian (site of the terra-cotta buried army), Souchow ("the Venice of Asia"), and Shanghai.

- International Organizing Committee: Count and Countess Beandolini, Princesse Diane de Beauvau Craon, Duc de Bressac, Viscount Norwich, Marquise Cacciapuoti, Count Zorzi, Count and Countess Serr, His Highness Mubarak Al Sabah, Mesdames Marylea Johnson, Evelyn Lambert, Dina Merrill, Paloma Picasso-Lopez, Hélène Rochas, Pierre Schlumberger, Hanae Mori, Shiori, Wang Ding Gou, Deng Lin, Messieurs Larry Lovett, Richard H. Morgan, Marty Richards, Lucien Bodard, Pierre Cardin, Alain Peyrefitte, Daniel Vial, Julian Thompson, Guido Willi, Makio Itoh, Masahiko Takeeda, Kenzo Tange, Huang Hua, Han Ke Hua, Hu Yi Zhou, Yin Rou Cheng, Peng Ling An, He Guang Wei.

For residents of Asia, a weekend option is available. Full details on request.

Table with columns: ALL INCLUSIVE CHARGES PER PERSON, 10-DAY TRIP (Including/Excluding air transport), WEEKEND ONLY (Including/Excluding air transport). Rows: From US/Europe, From Tokyo, From Hong Kong.

For complete information and inscriptions, please contact:

- LE RETOUR DE MARCO POLO: 45, rue Sainte-Anne 75001 Paris FRANCE. Lic A 1326, Tel: (1) 42.61.38.67 Tlx: 215643, Fax: 42.61.14.93. HONG KONG: Mr. Raymond Kong, Tel: (3) 721.32.02, Tlx: 0802 53627. JAPAN: Miss Tchie Yuhaya, Tel: (03) 505.53.21. USA: Mrs. B. Coron-Stein Doge, Tel: (212) 787.62.76, (212) 758.27.74, Fax: (212) 879.03.75. SWEDEN: Mrs. B. Fleetwood, Tel: (8) 11.09.39, Tlx: 054 12 442. WEST GERMANY: Mr. Klaus Rehnig, Tel: (6102) 50.61.50. ITALY: Mrs. Monica Sedde Skimar, Tel: (2) 80.91.66, Tlx: 335272, Fax: (2) 80.53.541. HOLLAND: Mr. J. Van Vliet, Tel: (35) 467.57, Tlx: 044 43-431. SWITZERLAND: Mrs. Harings, Tel: (42) 36.76.09. DENMARK: Mrs. J. Godlieb, Tel: (1) 652.311, Tlx: 055 16 888. GREAT BRITAIN: Mr. Andrew Cochran, Tel: (1) 750.98.41, Tlx: (51) 27104.

*All or part of the charges for this voyage are tax-deductible in most countries under the laws governing charitable contributions.

Registration form for 'THE RETURN OF MARCO POLO' (IHT) with fields for Name, Address, City/Code, Country, Telephone.

2 Oxfam Workers Freed by Guerrillas In South Lebanon

By Nora Boustany
Washington Post Service

BEIRUT — A radical Palestinian guerrilla group released two detained representatives of the British charity Oxfam on Tuesday in the southern port city of Sidon.

Peter Coleridge, a British national, and Omar Trabulsi, a Syrian, disappeared in a Palestinian camp six days ago.

An official of the Fatah-Revolutionary Command escorted the two charity workers to the home of Mustafa Saad, a Sidon leader. The official said the two were taken in for questioning six days ago for security reasons.

The Fatah-Revolutionary Command is headed by Sabri el-Banna, better known as Abu Nidal, who received a life prison term in absentia for a 1985 attack on the Rome airport.

Mr. Coleridge, Oxfam's Middle East coordinator, was held for questioning a Fatah-Revolutionary cause he had taken photographs of Hittin Street, a populous alley in the sprawling refugee camp of Ain al Helweh, which overlooks Sidon. Mr. Coleridge and Mr. Trabulsi disappeared in the refugee camp Thursday afternoon after visiting a local relief center.

They were reported missing the next day after they failed to turn up at two scheduled meetings.

"I was treated with great professionalism," Mr. Coleridge said. He said his captors "were very skilled in what they were doing."

He said that there was no physical violence but strong psychological pressure.

"We were not seized but arrested for taking photographs in the camp," Mr. Coleridge said. "I was taking a series of photographs of the same place where I had taken pictures in 1982 to show what happened and how rebuilding took place since 1982."

An Israeli air raid against Hittin Street last summer killed 40 persons, including women and children refugees.

Mr. Coleridge said: "I committed a mistake by taking photographs at Ain al Helweh and did not realize the security measures at the camp." He seemed relaxed and in good spirits.

However, Mr. Trabulsi, the son of a former Syrian diplomat, appeared shaken.

The spokesman for the group that held the men said the six-day arrest was the result of sensitivity over the security of residents in the refugee camp, "which is always a target to Israeli military attacks."

Mr. Coleridge, who remained in Sidon on Tuesday, apparently was not aware which group had been responsible for holding him.

Abu Nidal has sought the release of two of his men imprisoned in Britain following the attempted assassination in 1982 of the Israeli ambassador, Shlomo Argov.

Last weekend, Mr. Saad, who heads the Popular Liberation Army in control of Sidon, advised foreigners to leave the area because their protection could no longer be guaranteed. His remarks and a robbery of foreign medical workers triggered an exodus of some 14 Western relief workers.

Mr. Coleridge had visited the refugee camp to survey damage and see what reconstruction and relief projects were needed.

Separately, the United Nations Relief and Works Agency issued a statement Tuesday saying that the release last week of its staff members, William Joergensen and Jan Stening, after 25 days in captivity has allowed the agency to "reconsider resuming some of its activities that were affected by the kidnapping."

It added that the relief agency was now able to increase gradually the number of its staff in Lebanon. The agency said it would move its offices overseas programs in the Syrian-controlled Bekaa valley from Damascus to Beirut, adding it would provide refugees around the Palestinian camps of Chatila and Burj al-Brajneh, near Beirut, with housing assistance.



Peter Coleridge, left, after his release Tuesday with his colleague, Omar Trabulsi, right, and Mustafa Saad, a Sidon leader.

Zimbabwe Renegades Leave Trail of Death In White Farm Region

By Blaine Harden
Washington Post Service

NYAMANDHLOVU, Zimbabwe — John Norvall was ambushed in August when he stopped at a small river crossing. Eight men with AK-47 assault rifles opened fire on him. The white rancher, whose Scottish grandfather came to Zimbabwe before the turn of the century, was on his way to buy a cow from a black neighbor. He bled to death in the front seat of his Mazda pick-up truck.

His son now drives the same dusty roads of their 24,800-acre (10,000-hectare) ranch, but unlike his father, Mark Norvall never travels alone. He rides with four or five heavily armed soldiers. At river crossings and farm gates, Mr. Norvall stops, orders the guards out and waits, rifle in hand, while they search the nearby bush.

The son refuses to visit black neighbors to buy cattle. Instead, he calls his father's death, along with the "western front" where seven miles (11 kilometers) of his property abut black-owned land, he has seen to the construction of a reinforced barbed-wire fence.

"They all think I am a really mean swine," said Mr. Norvall, 27, who does not go out of his house without a pistol in his belt and a German-made automatic rifle slung over his shoulder. But, he said: "I think it should be get across that image."

As for the so-called "dissidents" who killed his father, Mr. Norvall said that "the only way to sort these guys out is to put a bullet in their bloody head."

The white farmers of the dry, southwestern Zimbabwe region called Matabeleland had a rough time last year. Elusive, nebulous motivated dissidents — the term loosely applied to the rebels or bandits who for six years have terrorized the region — struck at the farmers with unexpected ferocity.

Ted Kirby, the local chairman of the Commercial Farmers Union, who has farmed in the area for 28 years, called the second half of last year "one of our worst periods," adding: "We were getting knocked off at a pretty high rate."

Nine white farmers were killed. Like John Norvall, most died in ambushes. According to the farmers union, the deaths raised to 65 the number of white farmers and their family members killed by dissidents in Matabeleland.

The number means that, for white farmers working their land, the years of "bush peace" since 1980, when Zimbabwe became a black-ruled nation, have been far more dangerous than were the preceding seven years of "bush war."

In that failed struggle to preserve white-minority rule in southern Rhodesia, only 10 white farmers died on their land.

The killings of the whites of Matabeleland and the transformation of their vast ranches into barbed-wire encampments are perhaps the most nagging failure in Zimbabwe's otherwise successful effort to build a multiracial society.

Independence triggered the flight of about 150,000 whites from the British-settled country, which in the mid-1970s had as many as 270,000 white citizens.

But most of the 110,000 or so whites who chose to stay on have prospered or at least held onto a life-style that even by Western standards seems luxurious. Many whites have big houses, swimming pools and servants.

Whites continue to pull the business strings. Last year they held all but 12 of the top 200 executive jobs in the country's 100 largest companies. One Western diplomat, summing up black-white relations, said: "The whites have hired the blacks to run the government."

One of the smallest but most economically important segments of the white population owns and operates the country's big commercial farms. These farms have continued to produce surpluses, despite years of drought.

Zimbabwe's leaders have taken pains to ensure that the 4,000 or so white farmers receive good prices

for their produce. And, for most part, the rights of these whites to hold their large tracts of property safely have been guaranteed.

The all-too-visible exception is Matabeleland.

"It is a much more isolated white community in Matabeleland than it once was," said Mr. Kirby of the farmers union.

He said the number of farming families in the region peaked at 1,000 and is now down to about 500. Because of fear of attack, he said, significant number of these families live in the regional capital of Bulawayo and commute to their farms.

Exactly who the attackers are and why they have been able to operate for six years despite being chased by legions of government soldiers remains unclear.

The dissident violence began with a rift in 1982 between the country's two political parties, one representing the majority Shona-speaking tribes and the other based in Matabeleland, representing the minority Ndebele.

The feud led some Ndebele soldiers to desert the army and join the bush. Attacks then began on government projects in the region and against both white and black civilians. Far more blacks, in informed estimates are about 800, were killed than whites.

The political goals of the dissidents are not clear. For years, they ghoulsh murders, reportedly by kidnapping some victims in public to intimidate local peasants, have been disowned and denounced by the Zimbabwe African People's Union, the party of the Ndebele.

The government's policy of protecting the land-owning rights of whites has done nothing to ease the worsening land squeeze.

Some white farmers said they understand the appeal of the dissidents, and their promises of liberating white-owned land, to the growing number of destitute peasants living on the edges of vast, wealthy ranches.

At independence, the government estimated that 140,000 peasant families needed land. But in eight years, land and resources have been available to resettle only 40,000 families.

That pressure appears to be more severe in arid Matabeleland. Unlike fertile, well-watered farms land around the capital, Harare, the soil in this region is poor and rains are unreliable. Like parts of west Texas, it takes 30 acres of range land to feed one adult cow.

TAX: Co-ops Face Price of Success

(Continued from Page 1)

Many would-be entrepreneurs seem leery of opening businesses for fear that a public backlash will force the state to shut them down.

Mr. Gorbachev provided no details of how deeply the tax will affect the incomes of private business owners.

The Soviet leader and his economic advisers see cooperative ventures as a key to winning popular support for broader economic changes. The idea is that these small partnerships will provide a wide range of consumer goods and services that state monopolies have failed to produce.

The Soviet press, however, has carried many disheartening reports of cooperatives stifled by red tape or inhibited by fear of becoming conspicuously wealthy.

They were reported missing the next day after they failed to turn up at two scheduled meetings.

"I was treated with great professionalism," Mr. Coleridge said. He said his captors "were very skilled in what they were doing."

He said that there was no physical violence but strong psychological pressure.

"We were not seized but arrested for taking photographs in the camp," Mr. Coleridge said. "I was taking a series of photographs of the same place where I had taken pictures in 1982 to show what happened and how rebuilding took place since 1982."

An Israeli air raid against Hittin Street last summer killed 40 persons, including women and children refugees.

ISRAEL: 2 Die in Clashes

(Continued from Page 1)

to death in the hijacked bus on Monday — shortly before Israeli troops stormed it and two other civilians were killed — that image undermined what he termed "the white revolution."

"It is white in the sense that its value lies in the fact that it is unarmed," he said.

In a string of cities, towns and villages, including Arab East Jerusalem, women hoisting aloft Palestinian flags staged demonstrations Tuesday to mark International Women's Day. The demonstrations widened into anti-Israeli protests, according to Israeli Army and Palestinian reports.

On a main commercial thoroughfare of East Jerusalem, the police fired tear gas when stones were thrown at them, a police spokesman said. Seven women were detained and two were taken to the hospital suffering from the effects of tear gas, the spokesman said.

In Ramallah, just north of Jerusalem, youths wearing surgical masks and checked head scarves stormed troops from rooftops as security forces moved in to disperse a women's protest.

The clash led to a battle around the hospital in Ramallah, with security forces firing tear gas and rubber bullets into the hospital grounds, where stone-throwing youths had taken refuge.

At the height of the fighting, Palestinians brought in the body of Khader Abdel Hamid, a 28-year-old butcher said by witnesses to have been shot to death by Jewish settlers in a nearby village. The killing brought to at least 83 the number of Palestinians shot or beaten to death in direct conflict since the revolt took root Dec. 9.

Villagers said the butcher was shot when neighboring Jewish settlers started removing rocks that had been spread across the highway.

Jewish residents were quoted on the Israeli radio as saying they had formed their own armed civil guard to patrol roads at night.

In Jericho, army jeeps patrolled deserted streets and Palestinians with their hands tied behind their backs were led away for interrogation after a Palestinian policeman, identified as Nabli Jumhah Farah, was found bound, gagged, beaten and stabbed in the nearby refugee camp of Aqbat Jabar.

The underground leadership of the Palestinian revolt has urged reprisals against those Palestinians seen as collaborators with the Israeli authorities.

"The situation right now," said Police Minister Chaim Bar-Lev, "is that the overwhelming majority of the local policemen are continuing to serve and are expressing their willingness to continue to do so."

BUSH: Lately, Campaign Has Run Short on Substance

(Continued from Page 1)

Mr. Bush's chances of success in continuing to rely only on broad themes and a vague message for the rest of the campaign.

For the coming Illinois campaign, Mr. Bush is being urged to try to show that the line-item veto he has advocated could reduce spending and is not a "gimmick," aides said. The federal budget deficit is an area where Mr. Bush has left many questions unanswered.

He asserts he could reduce it without raising taxes if Congress gave him line-item veto power and the economy continued to grow.

He has never said which programs he would veto, however, except for trimming the cost of highways and clean water legislation passed last year. Mr. Bush has put whole sections of the budget off limits, such as the military, Social Security and education, but he has not addressed the arithmetic that points to deep, politically painful reductions in some areas.

Unlike some other candidates, Mr. Bush seems to genuinely enjoy the photo opportunities and the hand-shaking drills of the campaign. His staff is often on the lookout for heavy construction equipment for Mr. Bush to pose on; last week he drove a steamroller at a Florida condominium building site and a rock-eating front-loader at a North Carolina quarry.

He has refused recently to hold a news conference with the reporters traveling with him. When one reporter persisted with a query Saturday at a flea market in North Carolina, Mr. Bush responded: "I know what you're trying to do. I really want to do the campaigning."

He has granted dozens of interviews to local newsmen, however. "Missouri is right smack in the middle of the radar screen," he says. Or, the Illinois organization is "building" with "close to 100 county chairmen. Strong."

U.S. Says China Backs Embargo On Arms to Iran

(Continued from Page 1)

WASHINGTON — The White House said Tuesday that China had pledged support for a world-wide arms embargo against Iran and had assured the United States that it was not selling S-1500 missiles to Tehran.

The pledge reportedly was made by Foreign Minister Wu Xueqin during a meeting with President Ronald Reagan. China is supplying Iran's largest arms supplier, setting an estimated \$1 billion worth of weapons last year.

Mr. Wu indicated that China was "very concerned about how the war was going, concerned about the recent attacks on the cities of Iraq and Iran," said Martin Fitzwater, Mr. Reagan's spokesman.

Iraq fired three more missiles at Iranian cities on Tuesday and ended a three-week lull in attacks of shipping with a reported raid near Iran's Gulf coast. A military spokesman said Iraq jets hit "a very large naval tanker or big merchant ship. The spokesman said ground-to-ground missiles were fired at Tehran, Qom and Esfahan.

The Iraqi spokesman said Iraq fired another missile at the northern Iraqi city of Mosul on Tuesday. (AP, Reuters)

Meningitis Strikes in Sudan

(Continued from Page 1)

KHARTOUM, Sudan — Sudan declared its capital an epidemic area on Tuesday, saying 600 people had contracted meningitis in Khartoum and 20 had died. People were told to report to inoculation centers and to avoid crowds. At least 749 cases have been detected in the country.

OPEC: Talks Urged as Prices Fall

(Continued from Page 1)

World countries as a matter of national security and self-sufficiency — regardless of the profit.

The relentless increase in non-OPEC output has exacerbated the cartel's effort to sacrifice production and income in order to support a reasonable level of oil prices in the past seven years, much of it without any use.

Although OPEC has trimmed its output by half in seven years, its prices have fallen to half what they were in 1981.

The latest drop in prices is being helped by widespread, competitive price-cutting by all producers.

Some Saudi sources suggested that the Saudi oil minister, Fhisham Nazer, might call for a cut in production of 500,000 barrels a day and renew his appeal that OPEC members adhere to quotas.

World countries as a matter of national security and self-sufficiency — regardless of the profit.

The relentless increase in non-OPEC output has exacerbated the cartel's effort to sacrifice production and income in order to support a reasonable level of oil prices in the past seven years, much of it without any use.

Although OPEC has trimmed its output by half in seven years, its prices have fallen to half what they were in 1981.

The latest drop in prices is being helped by widespread, competitive price-cutting by all producers.

Some Saudi sources suggested that the Saudi oil minister, Fhisham Nazer, might call for a cut in production of 500,000 barrels a day and renew his appeal that OPEC members adhere to quotas.

U.S. and Britain Veto South Africa Sanctions

(Continued from Page 1)

UNITED NATIONS — The United States and Britain vetoed Tuesday a Security Council resolution calling for new economic sanctions against South Africa after its recent crackdown on anti-apartheid groups.

The vote in the 15-nation council was 10 to 2 in favor, with France, West Germany and Japan abstaining.

FAMILY: Support Centers Become a U.S. Priority

(Continued from Page 1)

family research project, said that to a degree, programs like the 10 parent education centers Mr. Keating set up last year are "re-inventing the wheel" as it was at the turn of the century, with the friendly visitor programs and the settlement houses that tried to foster family life, and help people with whatever problems they were having.

Among the most publicized local programs is the Beethoven Project in Chicago, inspired and partly financed by a local businessman, Irving B. Harris. The project, which is just getting under way, will be open to every baby born in six of the 28 high-rise buildings of the Robert Taylor Homes, the largest public housing complex in the United States.

The parents of each of the "Beethoven babies" can get free prenatal care, counseling, home visits and access to a drop-in center where day care, health care and foster care, delinquency, malnutrition or emergency medical care.

"If you don't help families do the job better, what's the alternative?" asked Ms. Weiss. "Wait until the family falls apart and the kids need foster care? Watch the kids drop out of school and get into trouble?"

But she and others in the field caution that it is too soon to know which approaches are best, and that there is a crucial need for more long-term research on the effects of the programs.

CITIES: Migration From the Countryside Is Straining Asian Economies

(Continued from Page 1)

and more and more are coming in each year.

Free Buransiri, chief architect for the National Housing Authority of Thailand, estimated that about 20 percent of people in Bangkok are slum dwellers or illegal squatters who have taken over vacant land.

Jakarta and Manila have even larger numbers of urban poor.

Interviewed during a visit to Bangkok, Frederick W. H. Dawes, head of the human settlements division in the Canadian International Development Agency, a government body, said he believed that mega-cities of the future in Asia and other parts of the Third World would create a new kind of deprivation on a large scale.

In consumer- and service-oriented societies, huge expectations are being generated, he said. But for many people, the promise of more goods and better living standards would not be fulfilled.

"Social tension will increase," Mr. Dawes said. "As urbanization packs people more closely together in squalid conditions, the propensity for violence will grow."

Father Joseph Maier, a Roman Catholic social worker from the United States who has lived in Thailand for 15 years, said that Klong Toey had been ravaged by some bad fires.

"Alcohol is a problem," he said during a tour of the area. "Heroin

building development can proceed.

In an effort to cut the numbers of people moving to the cities, Thai government has launched job creation programs in the provinces, especially in the northeast and north of the country. Manufacturers have been offered tax and other incentives to set up plants outside Bangkok.

And some experts believe that the flow of people into Bangkok has slowed somewhat in the past few years. But the backlog of demand for better accommodation is massive.

Wiwat Sangtian, director of the center for human settlement studies in the National Housing Authority, said that because of limited financial resources, the state could only supply a small part of housing needs in Thailand.

And many low-income earners, he added, could not afford even the cheapest private-sector housing. Nor could they pay the minimum rent of about 1,200 baht a month for a housing authority flat.

"Slums are here to stay," said Mechai Viravaidya, secretary-general of the Population and Community Development Association of Thailand. "Instead of trying to get rid of slums, we should learn to manage and improve them."

Stan Benjamin, a Canadian consultant on low income housing and both Thailand and Indonesia, said he believed that if squatters were

Cambodia Attack Reported

(Continued from Page 1)

BANGKOK — Ten Vietnamese soldiers were killed and 29 were wounded in southern Cambodia when a train hit a land mine on Feb. 25 planted by guerrillas, the Khmer Rouge radio reported.

ESORTS & GUIDES

INTERNATIONAL ESCORT SERVICE
Head office in NYC (10019 USA)
212-765-7896
212-765-7754
MAJOR CREDIT CARDS AND CHECKS ACCEPTED

AMBIANCE
ESCORT SERVICE OF NEW YORK
212-889-7300
MAJOR CREDIT CARDS ACCEPTED

LONDON KENSINGTON
ESCORT SERVICE
10 KENSINGTON CHURCH ST, W8
TEL: 537 9136 OR 537 9133
All major credit cards accepted.

LONDON
Portman Escort Agency
67 Chiltern Street,
London W1
Tel: 486 5724 or 486 1158
All major credit cards accepted

ARISTOCATS
London Escort Service
3 Broadhurst Street London W1
Tel: 481 54 17 OR 481 60 16
All major credit cards accepted
Tel: 01 258 0090 (3 lines)
12 noon - midnight

INTERNATIONAL CLASSIFIED
(Continued from Back Page)

ESORTS & GUIDES

TREASURE
N.Y. ESCORT SERVICE
212-686-3344

REGENCY
NY & LONDON ESCORT SERVICE
212-438-8027

LONDON BELGRAVIA
Escort Service
Tel: 736 5577

MAYFAIR CLUB
ESCORT SERVICE from 5pm
RIVERDALE (0) 70-425415
THE HAGUE (0) 70-40 79 96

CAPRICE-NY
ESCORT SERVICE IN NEW YORK
TEL: 212-737 3291.

LONDON EMANUELLE
Exclusive VIP Escort Service
Knightbridge SW4 0JZ

**** ZURICH 558720 ****
Private Tailor Made Service
Credit Cards Accepted

GENEVA * LOVELY *
ESCORT SERVICE 022/21 99 61

ESORTS & GUIDES

GENEVA ESCORT SERVICE
Tel. 46 11 58

*** ZURICH * CAROLINE**
ESCORT SERVICE 01 / 252 61 74

*** GENEVA GINGER'S ***
ESCORT SERVICE 022/ 34 41 86

CHESEA ESCORT SERVICE
51 Beaumont Place, London SW3
Tel: 01 384 6513/2/49 (4-12 pm)

**** ZURICH ****
Top Escort Service. Tel: 01/41 76 09

ZURICH SUSAN
ESCORT SERVICE 01/44 34 73

0221/13 38 24
Jacqueline Cologne Escort Service

ROME CLUB EUROPE ESCORT & Guide Service. Tel: 06/289 2804 or 389 1146 from 4 pm to 10:30 pm

MADRID IMPACT ESCORT and Guide Service. Multi-national. Visa. Open 11am - midnight. Tel: 361 4142

**** TOKYO 5844674 ****
TOP TWENTY-ONE Guide Agency
Multi-national

COPENHAGEN - STOCKHOLM Mrs. Scandenberg Escort Service. Multi-national. Tel: 451 54 17 OR 481 60 16

TOKYO EXCLUSIVE ESCORT SERVICE. Credit cards accepted. Telephone Tokyo 03 778 4301.

AMSTERDAM JASMIN AND JOCY. Escort Service. Tel: 09 20465 242 or 09 699 866. Credit cards accepted.

ESORTS & GUIDES

GENEVA PRETTY
ESCORT SERVICE Multi-national. Tel: 02-22/21 03 40

ANNI
ESCORT SERVICE Multi-national. Tel: 02-22/21 03 40

GENEVA DANCY ESCORT
Tel: Geneva 022-22/21 03 40

LONDON LADY *** ESCORT SERVICE. London. Multi-national and Visa. Tel: 01 728 0409

MILAN EXCLUSIVE INTERNATIONAL
ESCORT SERVICE. Call night and day. Tel: 09 21 809149.

TOKYO
HCH CLASS ESCORT SERVICE. Tel: 03-562 2278

FRANKFURT "TOP TEN" ESCORT SERVICE. 069 / 35-88-26. OPEN 7 DAYS A WEEK. Tel: 069 1704

HAMBURG
ROYAL ESCORT SERVICE *****
Tel: 040 / 533 41 45

LONDON ORIENTAL GUIDE and Escort Service. Central London / Heathrow. Tel: 0836 60000.

LONDON ONLY JAPANESE ESCORT SERVICE. Multi-national. Credit cards Tel: 01 370 0336 / 01 370 7176

**** 0451 / 49 74 01 ****
NEW LADY ESCORT. Travel & Guide Service. Frankfurt.

**** RIKES-SWEDISH ****
HCH CLASS ESCORT SERVICE. London. Tel: 289 6015

AMSTERDAM * YENI ESCORT and Guide Service. 020 - 657011 All major credit cards accepted.

"OVERSEAS" level's top international
ESCORT SERVICE. Tel: 03-249064 249063. 24/24 day and night.

FRANKFURT NUMBER ONE
ESCORT SERVICE. Tel: 069 / 34 48 75 or 34 48 76

MUNICH
***** 488 60 38 ***** 311 79 00
Tel: 089 31 12 12

SOME FRENCH SPOKING
ESCORT and Guide Service. Tel: 30 4067 London.

LES BON VIVANES Escort Service. 212-455-0200. NYC. Major Credit Cards Accepted.

ESORTS & GUIDES

ESORTS & GUIDES

GENEVA PRETTY
ESCORT SERVICE Multi-national. Tel: 02-22/21 03 40

ANNI
ESCORT SERVICE Multi-national. Tel: 02-22/21 03 40

GENEVA DANCY ESCORT
Tel: Geneva 022-22/21 03 40

LONDON LADY *** ESCORT SERVICE. London. Multi-national and Visa. Tel: 01 728 0409

MILAN EXCLUSIVE INTERNATIONAL
ESCORT SERVICE. Call night and day. Tel: 09 21 809149.

TOKYO
HCH CLASS ESCORT SERVICE. Tel: 03-562 2278

FRANKFURT "TOP TEN" ESCORT SERVICE. 069 / 35-88-26. OPEN 7 DAYS A WEEK. Tel: 069 1704

HAMBURG
ROYAL ESCORT SERVICE *****
Tel: 040 / 533 41 45

LONDON ORIENTAL GUIDE and Escort Service. Central London / Heathrow. Tel: 0836 60000.

LONDON ONLY JAPANESE ESCORT SERVICE. Multi-national. Credit cards Tel: 01 370 0336 / 01 370 7176

**** 0451 / 49 74 01 ****
NEW LADY ESCORT. Travel & Guide Service. Frankfurt.

**** RIKES-SWEDISH ****
HCH CLASS ESCORT SERVICE. London. Tel: 289 6015

AMSTERDAM * YENI ESCORT and Guide Service. 020 - 657011 All major credit cards accepted.

"OVERSEAS" level's top international
ESCORT SERVICE. Tel: 03-249064 249063. 24/24 day and night.

FRANKFURT NUMBER ONE
ESCORT SERVICE. Tel: 069 / 34 48 75 or 34 48 76

MUNICH
***** 488 60 38 ***** 311 79 00
Tel: 089 31 12 12

SOME FRENCH SPOKING
ESCORT and Guide Service. Tel: 30 4067 London.

LES BON VIVANES Escort Service. 212-455-0200. NYC. Major Credit Cards Accepted.

ESORTS & GUIDES

ESORTS & GUIDES

GENEVA PRETTY
ESCORT SERVICE Multi-national. Tel: 02-22/21 03 40

ANNI
ESCORT SERVICE Multi-national. Tel: 02-22/21 03 40

GENEVA DANCY ESCORT
Tel: Geneva 022-22/21 03 40

LONDON LADY *** ESCORT SERVICE. London. Multi-national and Visa. Tel: 01 728 0409

MILAN EXCLUSIVE INTERNATIONAL
ESCORT SERVICE. Call night and day. Tel: 09 21 809149.

TOKYO
HCH CLASS ESCORT SERVICE. Tel: 03-562 2278

FRANKFURT "TOP TEN" ESCORT SERVICE. 069 / 35-88-26. OPEN 7 DAYS A WEEK. Tel: 069 1704

HAMBURG
ROYAL ESCORT SERVICE *****
Tel: 040 / 533 41 45

LONDON ORIENTAL GUIDE and Escort Service. Central London / Heathrow. Tel: 0836 60000.

LONDON ONLY JAPANESE ESCORT SERVICE. Multi-national. Credit cards Tel: 01 370 0336 / 01 370 7176

**** 0451 / 49 74 01 ****
NEW LADY ESCORT. Travel & Guide Service. Frankfurt.

**** RIKES-SWEDISH ****
HCH CLASS ESCORT SERVICE. London. Tel: 289 6015

AMSTERDAM * YENI ESCORT and Guide Service. 020 - 657011 All major credit cards accepted.

"OVERSEAS" level's top international
ESCORT SERVICE. Tel: 03-249064 249063. 24/24 day and night.

FRANKFURT NUMBER ONE
ESCORT SERVICE. Tel: 069 / 34 48 75 or 34 48 76

MUNICH
***** 488 60 38 ***** 311 79 00
Tel: 089 31 12 12

SOME FRENCH SPOKING
ESCORT and Guide Service. Tel: 30 4067 London.

LES BON VIVANES Escort Service. 212-455-0200. NYC. Major Credit Cards Accepted.

JAPANESE

ARTS / LEISURE

Pants Dominate Shows

By Bernadine Morris

New York Times Service

MILAN — Trousers are sweeping like a tidal wave through the fall and winter fashion openings, diverting attention from skirt lengths.

This is inevitable at a time of hemline unrest, designers say. Though they believe the trend is to longer skirts, they are not too precise about how long they will end up. Anywhere from the top of the knee to below the calf is possible, they say.

The one collection where trousers did not dominate was the Fendi show by Karl Lagerfeld. That's because Lagerfeld had a different message. Among the first designers to suggest long skirts because he felt the world was ready for a change, he endorsed calf-length hems in both ready-to-wear and fur-trimmed jackets.

Besides the longer length, the news in furs lies in their simple light construction. The first models on the runway carried what looked like muffs in such furs as sable, chinchilla and mink. The muffs unfolded to become full-length coats.

In addition to the new construction methods, decorated surfaces gave an unexpected look to familiar

peaks. Roses were formed with ribbon tape. Strips of fur, including mink, were embroidered in abstract shapes on other furs.

The appearance of leopard coats on the runway caused gasps among the audience because leopard is an

MILAN FASHION

endangered species. But the spotted furs, even though they were treated seriously, were all fakes, the Fendis say.

Though he showed some knee-length clothes, Lagerfeld made a strong case for longer styles in fabrics as well as furs.

The best pants of the season are by Gianfranco Ferré. They fit the hips smoothly and taper toward the ankles for a slender, sinuous look. For day he likes them in red with a black jacket or in black with a red jacket, usually with a crisp white silk blouse. He shows them with long red shirring coats and printed silk blazers. Evening pants are in gold lace, velvet or satin.

Black fox is the designer's favorite fur accent, most arresting when it circles the hem of above-the-knee narrow skirts.

The most successful Ferré styles have a hard-edged simplicity. They include both red and black wool coats with snugly belted waists and flaring skirts, as well as gray and white striped pantsuits with lace handkerchiefs tucked in a pocket. When three-dimensional embroideries and appliques are

added for evening, the clothes can look overwhelming.

When Mario Valentino, the shoe designer, shows a fashion collection, he sticks to what he knows best: leather. He mixes smooth leather and suede in rich, glowing shades of purple, green and royal blue. Wide-leg or narrow pants and jackets are wrapped in big shearing strokes that reach almost to the ankles. The showing was well under way before the first skirts appeared. They were narrow and almost ankle length. Later some fuller styles were shown in the same length, but nevertheless pants were clearly dominant.

At Byblos, trousers were overshadowed by the short, rounded skirts. Many fanciful minis appeared in flowered tapersy patterns, tweeds with ruffled appliques and paisley-printed velvet. They are shown with short fitted tweed jackets and over-the-knee boots. This eclectic collection by Alan Cleaver and Keith Varty, two British designers working here, is aimed at young women. It strongly supports the case for very short skirts. But there were plenty of other themes. Trousers tend to have wide legs and are paired with short fitted jackets. Anna Karenina skirts are enormously full and end around the ankles. Black velvet jackets are embroidered with bright wool flowers. These are part of a folkloric revival that surfaces in other collections as well. It is part of fashion's current mix.



Mario Valentino's suede and leather, mini and fur-trimmed jacket by Byblos.

Ayckbourn Ends Season As Director: 'Tis Pity He's Going Home

By Sheridan Morley

International Herald Tribune

LONDON — Alan Ayckbourn's final production at the National Theatre before returning to his Scarborough company in Yorkshire is a sharp reminder of how wise London is to let him go. The last achievement of the outgoing Peter Hall administration at the National, many might say one of its very best, has been to establish Ayckbourn as one of the finest directors of the decade, first with the definitive "A View From the Bridge" and now on the Olivier stage with "Tis Pity She's a Whore."

This has never been the easiest of plays. Written in 1633 and not often seen since, though there was an Ian McKellen revival at the RSC a decade or so ago, it might have been designed to prove the old adage about the wisdom of trying everything at least once in life except folk-dancing and incest.

On one level it is the saga of a brother's overpowering lust for his sister, and the murderous problems which such an illicit passion inevitably creates. On another level, it's about the battles between puritanism and sexual liberties, between innocence and evil, and between romance and revenge.

THE LONDON STAGE

What matters about this production, on a brilliantly-designed revolving set by Roger Glossop, is its utter and total period confidence. Not since the best days of Trevor Nunn and Terry Hands at the RSC ten years ago has Jacobean drama been staged with such an absolute understanding of its matny and of its complex demands.

True, not all the casting is ideal. Rupert Graves as the unfortunate brother has a kind of undergraduate cheeriness which leaves him looking deeply embarrassed when he has to crash a party bearing his

sister's heart on a dagger, while Ron Pember as their old father gives a performance which can only in view of the play's geographic location be described as Parma ham. But Suzan Sylvester as the sister has just the right air of injured innocence, while Clive Craven as the silky evil servant is clearly in training for the National's next Inigo.

Oddly enough, given his own background as a writer, Ayckbourn is least happy when directing the play's most overtly comic moments. But as subplots of considerable complexity gradually give way to the central tragedy, and as most supporting characters fall victim to their own consuming lust or greed, there is a sharpening of focus to the point where the final bloodbath has all the tension of a really good period thriller.

At the Lyric Hammersmith Studio, William Rushton makes a rare

return to the stage in "Tales From a Long Room" and "Uncle Mort's North Country," a curious double-bill carved out of the short stories and novels of Peter Timmiswood. Two of Timmiswood's best-known characters, from opposite ends of the country, are the cricket-fanatical Brigadier and the lugubrious northern Uncle Mort, and there is a kind of logic in putting them together as a couple of near-monologues.

The problem is that there is no dramatic energy. What might work well enough on the printed page or even radio looks desperately thin when thrown onto a stage in a production by Peter James which is to say the least perfunctory. Rushton bumbles amiably enough through the first half as the blimpish Brigadier, forever recalling long-lost highlights from the Wisden Cricketers' Almanac, but the joke wears more than a little thin after the first 20 minutes. The second half is

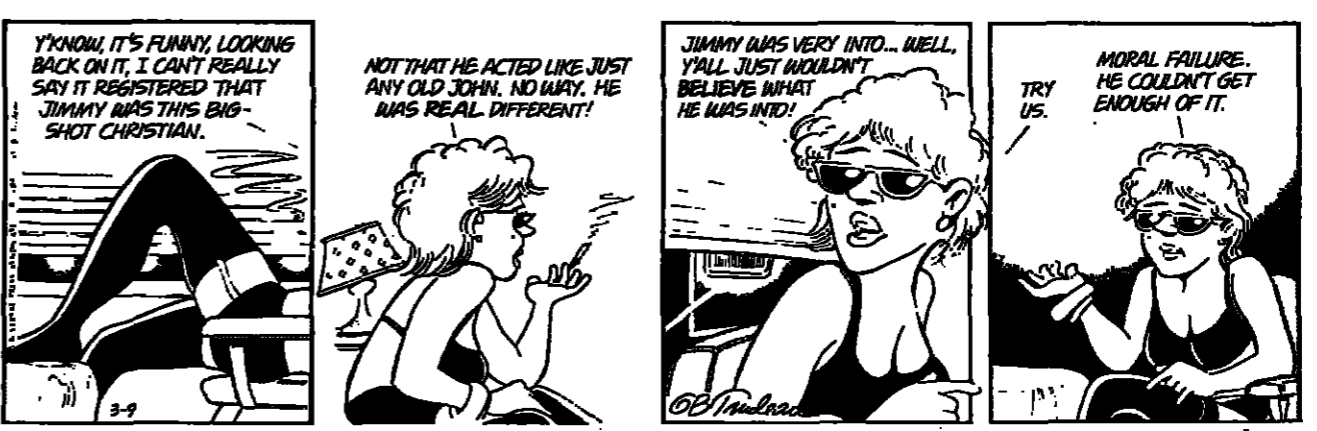
rather more intriguing, if only because in place of the chauvinist, wife-hating Brigadier we get to meet the altogether more complex Uncle Mort, a dour misanthropist,

looking like a well-fed Andy Capp, convinced that all of history as well as most of politics is a conspiracy against the working class. Lost in a world of rainsoaked alcoholics and

retired whipper breeders, Uncle Mort is as steadfast and straight and dull as a tramline and about as doomed to be overtaken by progress, but there is something en-

dearing about his deep depression. Rushton achieves a strong contrast with his earlier military impersonation from the other side of the English social tracks.

DOONESBURY



Financial market data including NYSE Most Actives, Market Sales, NYSE Index, AMEX Diary, NASDAQ Index, AMEX Most Actives, Dow Jones Bond Averages, NYSE Diary, Odd-Lot Trading in N.Y., Dow Jones Averages, Standard & Poor's Index, NASDAQ Diary, and AMEX Stock Index.

NYSE at Highest Since Collapse

Compiled by Our Staff From Dispatches

NEW YORK — Prices on the New York Stock Exchange surged on Tuesday to their highest level since the October stock market collapse. Trading was heavy.

The Dow Jones industrial average jumped 24.70 points to close at 2,081.07. Advancing issues outpaced declines by a ratio of 2-1. Volume totaled 237.68 million shares, up from 152.98 million traded Monday.

A steady stream of corporate takeovers has bolstered the view that companies see a steady U.S. economy ahead, traders said. The Dow index climbed 180 points in a late February rally, which peaked with a 48-point gain on the last day of the month, to 2,071.62, but since then the advance had stalled.

Broader market indexes also advanced Tuesday. The New York Stock Exchange composite index rose 1.09 to 151.62. Standard & Poor's 500-stock index rose 2.05 to 269.43. The price of an average share added 24 cents.

Eugene Peroni Jr., chief technical analyst at Janney Montgomery Scott Inc. in Philadelphia, cited an improved psychology among investors and traders and the emergence of quality leadership for the market's strong advance.

"This is a very good day, and it looks like investors are encouraged," he said. "The blue chips have gotten their cue from the strong technical fiber running through the secondary stocks. The market is also getting good leader-

ship in a number of quality sectors," including computers and retailers.

"The volume has accelerated considerably in a sign of renewed confidence in the leadership," Mr. Peroni said. But, he said, "the market might be stretching a bit. I think it is premature to say this is the beginning of a new breakout."

Mr. Peroni said takeover activity had convinced some investors that the market is undervalued. However, it would be more precise to say it is "selectively undervalued," he added.

Hildegard Zagorski of Prudential-Bache Securities Inc. said, "It looks like the Dow is trying to catch up with the rest of the market," alluding to the blue-chip banner's recent pattern of trailing the broader market.

"Meanwhile, the rest of the market is moving along nicely," she said. "We're trying to put everything together. Some institutions are dressing up their portfolios with blue chips as the end of quarter approaches. And if we continue to pick up steam, we could see 2,100 over the remainder of the week."

Pacific Gas & Electric was the most active issue, down 1/4 to 16 1/4.

Chemical New York followed, up 1/2 to 25 1/4.

Detroit Edison was third, off 1/4 to 14 1/4.

AT&T was down 1/4 to 28 1/4. IBM was up 1/4 to 117 1/4.

Lorimar-Telepictures led the Amex actives, down 1/4 to 14 1/4.

(Reuters, UPI)

NYSE Most Actives table with columns for Vol, High, Low, Last, Chg.

NYSE Index table with columns for High, Low, Close, Chg.

NYSE at Highest Since Collapse table with columns for 12 Month High, Low, Stock, Div, Yld, PE, 52 Wk High, Low, Close, Chg.

AMEX Diary table with columns for Close, Prev.

NASDAQ Index table with columns for Close, Week Ago, Year Ago.

AMEX Most Actives table with columns for Vol, High, Low, Last, Chg.

WEDNESDAY, MARCH 9, 1988

Page 9

MADISON AVENUE

**As an Advertising Vehicle
Yuppie Image Is Passé**

By BRUCE HOROVITZ

Los Angeles Times Service

LOS ANGELES — It is not the sort of ad that stirs great passion. A couple of men at a diner are chatting about their cars. But this commercial, for Honda Dealers of Southern California, is the sort of ad that spells the end of a short-lived era. The yuppie as an advertising vehicle is, in a word, dead — "yuppie" having been defined as young urban professional, young upwardly mobile professional or a combination thereof.

"The whole concept of the yuppie has become laughable," said Robert Elen, whose Los Angeles agency, Robert Elen & Associates, created the Honda ad. "I don't know of one major advertiser who is putting together a big yuppie campaign right now. I think they'd be embarrassed to be in the category."

**Too many
advertisers at once
had jumped on the
yuppie bandwagon.**

If the two men in the Honda were wearing suspenders or dining on sushi, they could easily pass as yuppies. But the ad takes great pains to, instead, simply present them as a couple of ordinary people who aren't really interested in having it all. In fact, all they want is a car that works.

"Isn't variety the spice of life?" poses one of the two, when his buddy tells him that he just bought his third Honda. Responds the other guy, "Well, my last Honda was red."

What has killed the yuppie — and yuppie values — in ads? "It's the natural death of a fad," said Rajeev Batra, associate professor of marketing at Columbia University. Advertising executives say several other factors are also at work.

The October stock market collapse cast an ugly glow on the image of the yuppie as greedy. "Everyone's mad at them," said Larry Postner, creative director at the Los Angeles ad firm, Rubin Postner.

What's more, too many advertisers jumped on the yuppie bandwagon at once. All the ads began to look alike. "The trend of the yuppie commercial has expired of its own steam," said John Ferris, executive vice president and creative director at the New York office of the ad agency Young & Rubicam. "In fact, many young people have been laughing at this advertising for several years, but it wasn't until recently that advertisers made that connection."

COMEDY writers, however, quickly caught on. The popular television show, "Saturday Night Live," parodied the predominant user of yuppie advertising, Michelob, more than a year ago. The old Michelob ads, under the theme, "Where you're going, it's Michelob," showed stereotypical yuppies enjoying the brew.

Now, instead of marketing itself as the beer of the yuppie, Michelob is trying to attract a much broader audience by repositioning itself as the beer that is synonymous with nighttime. After all, you don't have to be a yuppie to be swayed by such one-liners as "The night belongs to Michelob" and "Light up the night with Michelob Light."

A lot of advertisers are rethinking their positions," said Jane Talcott, creative director at DDB Needham Worldwide. Indeed, she said, there is a return to ads that say, "You should buy this product whether you're a yuppie or not."

At the same time, some advertisers who still want to reach yuppie executives have recast the image from the happy-go-lucky executive on the move to that of the manager who is just trying to keep his job. Companies like AT&T, MCI, IBM and Wang are all running ads that show snippets of young executives in difficult business situations.

"I call them yuppies from hell," said Steve Hayden, chief creative officer at the Los Angeles office of the ad firm BBDO. See IMAGE, Page 13

**Bonn
Says GNP
Up 0.5%**

Confirms 1.7%
Growth for Year

Reuters

BONN — Gross national product grew by 0.5 percent in the fourth quarter of 1987, showing that West Germany is helping its trading partners by taking in more imports, the government said Tuesday.

The Federal Statistics Office earlier confirmed that GNP, the country's total output of goods and services, rose 1.7 percent in 1987, adjusted for inflation, in line with an estimate it published in January.

That was a significant slowdown from growth of 2.6 percent in 1986. Original forecasts for 1987 growth were reduced sharply during the year because of the effect of the lower dollar on German exports.

The growth of 0.5 percent in GNP, adjusted for inflation and seasonal variations, in the fourth quarter from the third quarter was at the higher end of expectations. GNP rose 2.3 percent in the fourth quarter from a year earlier.

"Since the generally significant growth in domestic demand was over-proportionally met by imports in the quarter, 'the rise in West German production was somewhat smaller,' the Economics Ministry said.

"Therefore, strong growth impulses were passed on to trading partners."

West Germany has been under pressure, especially from the United States, to raise domestic demand to help reduce global trading imbalances.

Exports of goods and services rose by 4.4 percent in the fourth quarter from a year earlier, the strongest increase since the middle of 1985, the statistics office said.

But imports grew by a much stronger 7.5 percent in the quarter. The Economics Ministry said domestic demand would remain the locomotive for the economy, Europe's biggest, this year.

The government has forecast GNP growth, adjusted for inflation, of 1.5 percent to 2 percent in 1988, though some economists say this estimate is too optimistic.



Colby H. Chandler, chief executive, right, is focusing on Kodak's growth, an attitude symbolized by the introduction of products such as the Create-a-Print system, which an engineer inspects.

For Kodak, New Focus on Future

'Sense of Urgency' Is Reflected in an Array of Changes

By Claudia H. Deusch

New York Times Service

ROCHESTER, N.Y. — In January, Eastman Kodak Co. announced a new product called Create-a-Print that would enable anyone with a color negative to walk into a photofinishing lab, sit at a computer terminal and design a cropped or enlarged print. Amid the hoopla — and criticism — over Kodak's \$5.1 billion acquisition of Sterling Drug Co. later that month, the new product went virtually unnoticed. But in a sense, Create-a-Print is more symbolic of the changes at Kodak than is its gargantuan acquisition.

The reason is that it took only 22 months for Create-a-Print to go from product idea to market. Design, manufacturing and marketing managers all geared up in tandem. They did such things as start on a \$250,000 mold to make a key element of the system before they were certain the specifications were perfect. And they did them all on just two say-soes, those of Robert L. Smith, general manager of the photofinishing systems division, and of William J. Janowitz, manager for manufacturing equipment.

"In the old days, Create-a-Print would have taken four years," Mr. Janowitz said. "But nowadays, there is a sense of urgency. Everybody knows the future is not as certain as it once was."

Indeed, Kodak is in the throes of a cultural upheaval that could serve as a case study for what happens when an old company faces new competitive ground rules. It has changed its internal power structure, its manufacturing methods, its dealings with suppliers and competitors, almost every aspect of how it does business. It has slashed production costs and fine-tuned quality assurance systems.

See KODAK, Page 16

**Pound Soars,
But Thatcher
Bars Rate Cut**

By Reginald Dale
and Warren Getler

LONDON — The British pound continued to climb Tuesday as Prime Minister Margaret Thatcher ruled out interest rate cuts or "excessive intervention" in the markets to stem the currency's sudden rise.

Either of those courses, she told Parliament, would stimulate inflation, leaving the government no choice but to allow the pound to appreciate.

The pound became the major focus of international currency speculation, largely at the dollar's expense, after the British government on Monday abandoned the ceiling of 3 Deutsche marks to the pound that it had maintained for almost a year.

The pound closed above 3 DM on Monday for the first time since September 1986.

With the upper limit removed, buyers pushed the rate up further Tuesday, probing to find whether a new unofficial ceiling had been set, and if so, where.

"The pound is a one-way bet in the very short term," said Chris Johns, an economist at Phillips & Drew, a London brokerage. "The mood of the market is very, very bullish."

But he and other analysts warned that the rally could be short-lived.

The pound rose nearly 3 pence in London on Tuesday to close at 3.0743 DM, from 3.0458 DM on Monday. It also closed at \$1.8110, up more than 2 cents from \$1.8185.

The dollar, which remained on the sidelines as markets concentrated on the pound, closed at 128.00 yen, down marginally from 128.00 yen on Monday, and at 1.6684 DM, down from 1.6755.

In late trading in New York, the pound had risen further to \$1.8425 from \$1.8185 at Monday's close. The dollar was also trading at 1.6672 DM, down from 1.6765 on Monday.

Share prices of many leading British exporters fell Tuesday on the London Stock Exchange. The pound's rise erodes the manufacturing industry's competitiveness

abroad by making exports more expensive. Asked about the potentially damaging effects on Britain's international competitiveness, Mrs. Thatcher said, "I am saying that getting and keeping inflation down is the most important thing of all."

She dismissed recent official estimates of a record £905 million deficit in the current account, the widest trade measure, in January as "a freak."

Retail price inflation stood at 3.3 percent in January, but economists expect it to climb to 5 percent by year-end, spurred by wage demands. A lower pound would tend to increase inflation by making imports more expensive.

British Treasury officials said that while there had been "an adjustment in the exchange rate" in response to market pressure, the government's commitment to a stable currency remained unchanged.

Britain will continue to restrict the pound's range of movement and will not allow its rate against the mark to fluctuate outside acceptable bounds, they said.

Dealers said the market would test whether the new upper limit was 3.10 DM, 3.15 or even 3.20.

Buying will continue until the Bank of England indicates when it wants to halt the pound's advance, at which point there will be profit-taking, they predicted.

Analysts cautioned, however, that the outlook could be significantly altered by next Tuesday's budget statement by Nigel Lawson, the chancellor of the Exchequer, setting out the government's economic and fiscal policies for the year ahead.

Many economists are expecting the chancellor to offset the government's firm monetary policy with an easier fiscal policy built around a £2 billion tax cut.

Few economists believe the government is in any mood to sanction a cut in the current base rate level of 9 percent, set early last month.

The British Treasury officials said that the 2.95 DM to 3.00 DM range maintained for the past 12

See POUND, Page 16

**Court Rules
On Merger
Disclosures**

New York Times Service

WASHINGTON — Experts in securities law say a decision by the U.S. Supreme Court will make corporate managers' lives more difficult by forcing them to make judgment calls about whether to disclose significant merger transactions in the planning stage.

The Supreme Court on Monday significantly expanded the obligations of companies to disclose preliminary merger negotiations to the public.

The court also adopted a rule already applied by most lower courts — the "frank-on-the-market theory" — that makes it far easier for plaintiffs who bring suits for securities fraud to prove their losses were caused by misleading statements made by defendants.

Under this theory, the Court said that investors who traded in a company's stock at a time that the market price had been distorted by false statements made by the company could be presumed to have been defrauded if they lost money because of that distortion.

Experts on both sides of the case say that if managers make misleading denials or incomplete statements about preliminary negotiations, they could face legal liability, if they provide reasonably full disclosure, they could avoid jeopardizing the deal.

The court ruled for the plaintiffs on both points in the case — disclosure obligations and misleading statements on material facts — and ordered further proceedings in a class action suit against Basic Inc. and its directors by former stockholders. The stockholders contended that the company depressed the price at which they sold by falsely denying that it was holding merger talks.

The court essentially adopted the position advocated in a joint brief by the Securities and Exchange Commission and the Justice Department, resolving most all disputed issues in favor of the plaintiffs.

"The ruling comes amid a renewed wave of takeover activity, and as state legislators, members of Congress and federal regulators have been discussing whether and how to restrain takeovers. Another problem has been insider trading, in which profits have been made on early information by traders who are not always connected with the companies involved."

"It sounds like a very positive decision from the standpoint of individual investors," said John Markese, director of research of the American Association of Individual Investors, a nonprofit group with 110,000 members.

Currency Rates

Cross Rates	March 8
Amsterdam	1.8785
Bremen	2.4650
Frankfurt	1.8785
London (1)	1.8110
Milano	1.2630
New York (1)	1.2410
Paris	5.6650
Tokyo	122.85
Zurich	1.3750
1 ECU	1.2389
1 SDR	1.2715

Other Dollar Values	Per \$	Per 100
Armenia	4.745	4.745
Australia	1.216	1.216
Belgium	1.172	1.172
Brazil	35.12	35.12
Canada	1.2542	1.2542
China	3.7221	3.7221
Denmark	4.8375	4.8375
Egypt	2.23	2.23

Forward Rates	30-day	60-day	90-day	180-day
Forward Sterline	1.8209	1.8240	1.8259	1.8281
Japanese yen	122.71	122.47	122.14	121.56
Deutsche mark	1.6229	1.6284	1.6334	1.6384

Sources: Indosuez Bank (Amsterdam); Banca Commerciale Italiana (Milan); Banque Paribas (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAII (dollar, rival, dollar); Goldman Sachs; other data from Reuters and AP.

Interest Rates

Eurocurrency Deposits	March 8
1 month 6 1/4-6 3/4	1 1/4-1 3/4
3 months 6 1/2-6 3/4	1 1/4-1 3/4
6 months 6 3/4-6 3/4	1 1/4-1 3/4
1 year 6 3/4-6 3/4	1 1/4-1 3/4

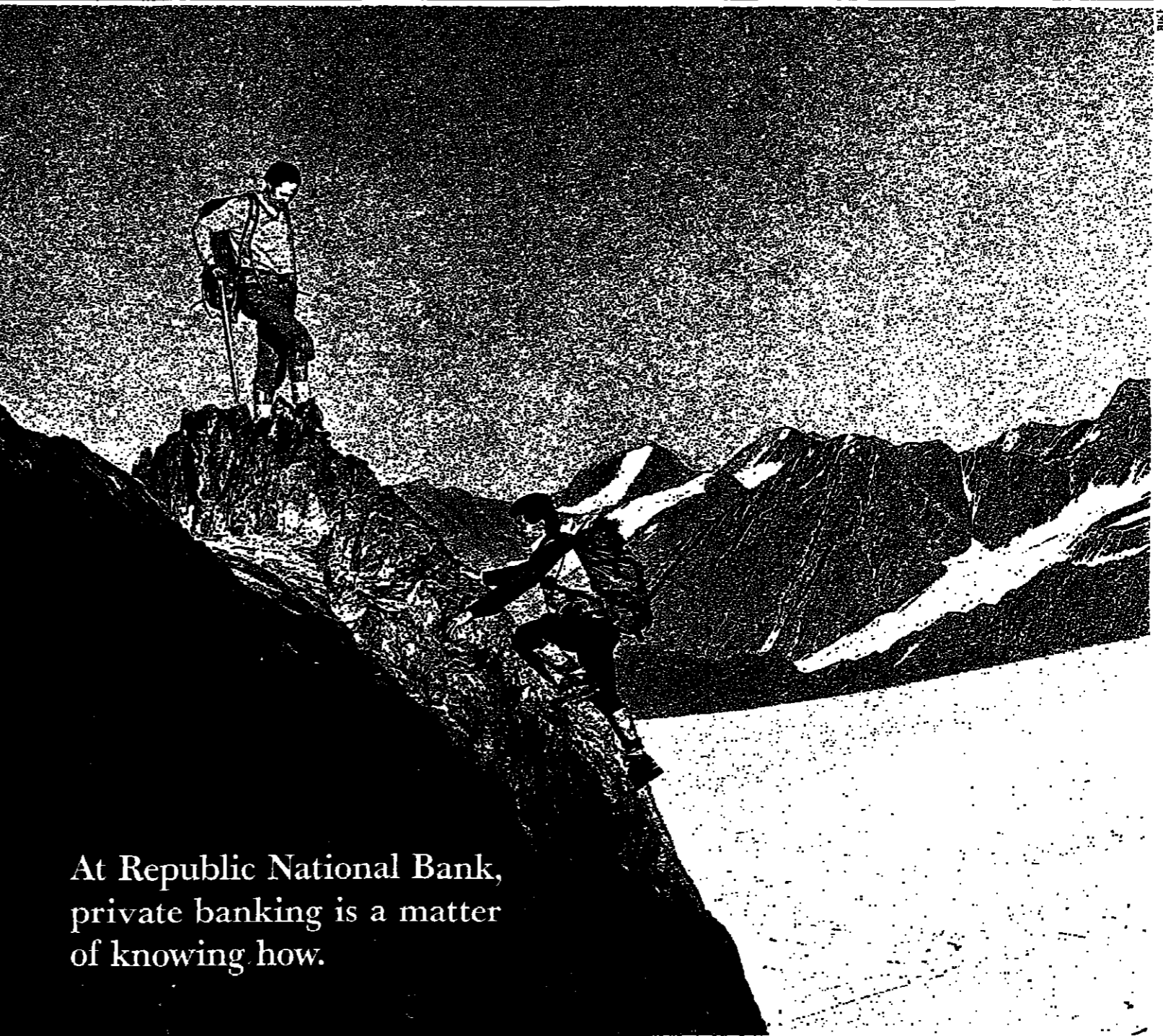
Key Money Rates	March 8
United States	3 1/2
Discount rate	4 1/2
Federal funds	6 1/4
Call money 90-180 days	6 1/4
3-month Treasury bills	5 1/2
6-month Treasury bills	5 1/2
3-month CD's	6 1/4
6-month CD's	6 1/4

Asian Dollar Deposits	March 8
1 month 6 1/4-6 3/4	1 1/4-1 3/4
3 months 6 1/2-6 3/4	1 1/4-1 3/4
6 months 6 3/4-6 3/4	1 1/4-1 3/4
1 year 6 3/4-6 3/4	1 1/4-1 3/4

U.S. Money Market Prices	March 8
Merrill Lynch Ready Assets	4.26
Telocator Interest Rate Index	4.40

Gold

Gold	March 8
Hong Kong	427.15
London	427.15
Paris (22.5 karat)	427.15
Zurich	427.15
London (1000)	427.15
New York	427.15



At Republic National Bank, private banking is a matter of knowing how.

The technical complexities of protecting assets while reaching investment targets demand the talents of a trained and committed expert. At Republic National Bank, account officers and investment specialists dedicate a lifetime of experience and acquired skills to protecting customers' assets.

Because knowing how to keep your capital safe and productive is fundamental to our range of private banking services in 27 financial centres. Republic National Bank of New York. A matter of trust.

**REPUBLIC
NATIONAL BANK
OF NEW YORK
(SUISSE) SA**



A SAFRA BANK

HEAD OFFICE: 2, PLACE DU LAC - 1204 GENEVA - TEL. (022) 28 18 10 - FOREX: (022) 29 05 02 - BRANCH: 1, VIA CANOVA - 6900 LUGANO - TEL. (091) 25 85 92
NEW YORK MIAMI LOS ANGELES CORPUS CHRISTI MONTREAL LONDON PARIS MONTE CARLO LUXEMBOURG MILAN GIBRALTAR GUERNSEY HONG KONG
SINGAPORE TOKYO PANAMA NASSAU BUENOS AIRES SANTIAGO MONTEVIDEO CARACAS MEXICO CITY PUNTA DEL ESTE RIO DE JANEIRO SAO PAULO

WORLD MARKET
FIN REVIEW

IVA88

INTERNATIONAL TRANSPORT AND TRAFFIC EXHIBITION

Transport: A Global Look at Workable Systems and Means

ALTHOUGH the saying is "money makes the world go round," probably closer to the truth is "transportation makes the world go round." And on June 1 to 12 at the International Transport and Traffic Exhibition (IVA) in Hamburg, some 300,000 visitors will see how the world will be moving in the next decade and the next century.

"There is no other trade fair like this," said Franz Zeithammer, president of fair organizers Hamburg Messe and Congress GmbH. "This is the trend-setter, the traffic of the future," he said, adding that the fair's focus is on the transportation systems of tomorrow rather than those being sold today.

However, IVA's orientation is pragmatic and realistic. "We're not presenting a utopia," Mr. Zeithammer said. "All the technology on exhibition is concrete, and is either being developed or already has been developed."

The fair covers every means of passenger and cargo transportation except the personal automobile. Aviation and aerospace, shipping and ports, trucking, and local and long-distance rail traffic will be highlighted. Transport management, as well as methods of integrating different transportation systems, will also be represented.



Franz Zeithammer, president of Hamburg Messe and Congress GmbH.

Nor is the IVA's scope limited to physical movement. Telecommunications — the movement of information — will be the focus of an entire hall.

The IVA is an internationally significant event, if only because the technologies to be exhibited have global applications. Mr. Zeithammer noted that, from New York to Tokyo, the problems faced by commuters and traffic planners are similar. The fair is made no less significant by its rarity, a once-a-decade experience. The most recent IVA was in 1979, and the next is likely to be at the end of the 1990s.

"We will probably see a whole new generation of innovators," Mr. Zeithammer said,

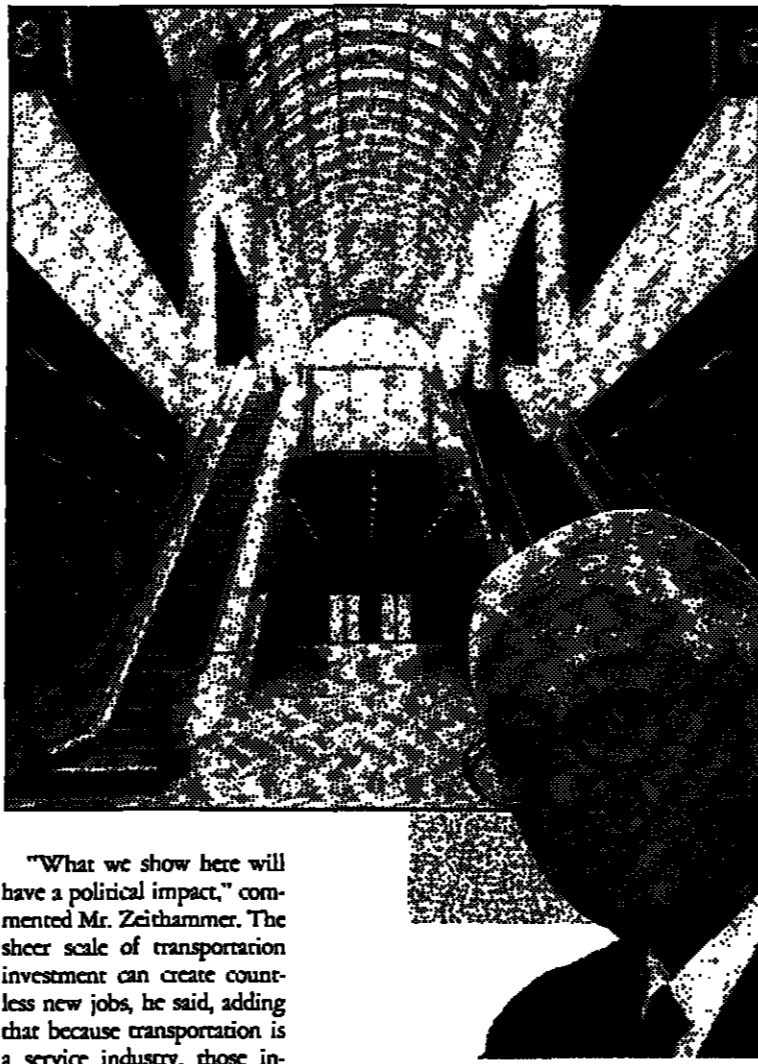
noting that 28-year-old engineers at the 1988 IVA were high school students during the 1979 fair.

The visitors expected to attend range from high-ranking government officials to train engineers, truck drivers and other people who have no connection with the transportation industry other than curiosity. The fair will be a meeting point for some 50,000 transportation experts, including 20,000 to 30,000 from abroad.

The fair's technological expertise is guided by the International Committee of the IVA, a team of transport experts headed by Dr. Werner Bartels, chairman of the board of Thyssen Industrie AG.

Major international decision makers will be in attendance: West German Transportation Minister Juergen Warnke will be joined by the transportation ministers from 19 European nations. At least 15 European countries as well as Canada and Japan will have national exhibitions.

But the impact of the technology displayed at the IVA is not limited to government officials and transport planners. "The investments that result here are not counted in pennies," Mr. Zeithammer said, referring to the billions of dollars of public money spent on systems such as the ones at the IVA.



Dr. Werner Bartels, chairman of the IVA International Committee and chairman of Thyssen Industrie AG.

"What we show here will have a political impact," commented Mr. Zeithammer. The sheer scale of transportation investment can create countless new jobs, he said, adding that because transportation is a service industry, those investments create permanent jobs.

Some 1,000 exhibitors from 25 countries will be represented in the fairground's 12 halls. Key exhibit includes a 40-meter-long model of the Channel tunnel project, as well as technology displays by Thyssen, Daimler-Benz and Deutsche Bundesbahn, the German national railway operator.

Other exhibitors include major international airports and seaports, shipping lines, airlines, telecommunications companies, mass transit associations, and truck, rail and aircraft manufacturers.

One of the primary attractions of the IVA is that, rather than seeing transport systems in pamphlets or on video-

record for a passenger train: 412.6 kilometers per hour (255 miles per hour). The Bundesbahn's Intercity Experimental (ICE) train will carry visitors between Bremen and Hamburg at speeds up to 280 kph (173 mph).

Daimler-Benz will incorporate a display of its bus technology into the fair's logistics, as its shuttle service will carry IVA visitors using three types of technology. At the start of the beginning, the bus will drive on city streets under its own power. Next, it will be guided along a concrete track, then finally powered by electric cables running overhead. Fair excursions include visits to the Airbus factory, Lufthansa Werk and more than 20 other sites in and around Hamburg.

Unlike most other trade fairs, estimating the value of sales generated by IVA is difficult. "It is difficult to guess how much money is involved when just one country buys a rail system," Mr. Zeithammer said, adding that the "astronomical" sales volume at the IVA will be counted in billions of dollars. More importantly, the fair is a place where contacts are made, acting as catalysts for future investments, he said.

The event's emphasis on transportation policies, politics and international issues is evidenced by the congresses planned to run concurrently with the IVA. Some 6,000 to 8,000 transport experts are scheduled to participate in more than 30 congresses at the Hamburg Convention Center, adjacent to the fairgrounds.

Hamburg Messe's involvement in transportation trade fairs is not limited to the IVA. From Sept. 27 to Oct. 1, it will present the International Shipping and Marine Technology Market trade fair and world seaport trade fair "Portex." The international boat exhibition "hauseboot" and EMTEC trade days will follow on Oct. 22 to 30.

But Hamburg Messe believes the IVA is its most important event. An expansion of the fairground facilities, an integration of the fairground's and city's railway lines, and the installation of a heliport are among the many improvements made in preparation for this year's IVA.

Hamburg, one of the most important transportation hubs in Europe, provides an ideal setting. Its 800-year-old port is the second largest in Europe and one of the 10 largest worldwide. A massive rail infrastructure and an international airport buttress its role as a transport center.

Hamburg is a center of transport innovation, home to major transportation companies such as Germany's largest ship lines, Lufthansa's entire maintenance operations and the Airbus manufacturing facilities of MBB.

West Germany's reputation for innovation holds true in transportation. The nation boasts the world's largest truck maker Daimler-Benz, specialized shipyards producing high-technology vessels, and the developers of Transrapid, the world's fastest passenger train.

Railroads Poised for Breakthrough

WITH the completion of the Channel Tunnel in 1993, train passengers will be able to travel from Paris to London in three hours, about half the time required today. High-speed trains are already in service in France, England and Sweden, and will go into operation in West Germany and other nations in the 1990s.

Meanwhile, the next generation of rail travel — high-speed magnetic levitation trains — is already under development. Promoted as a medium midway between air and rail, this January the West German Transrapid set a new speed record for passenger trains: 412.6 kilometers per hour (255 miles per hour). This record should be bettered as it reaches its full potential of up to 500 kph. (310 mph).

This summer, the German government is expected to select a pilot stretch in Germany where the first Transrapid will go into service. Other nations including Japan and the Soviet Union also are working on magnetic levitation technology.

The technology that is revolutionizing rail travel can be viewed — and ridden — on June 1 to 12 at the International Transport and Traffic Exhibition (IVA) in Hamburg, West Germany. Britain's APT, France's TGV, Italy's Pendolino, and Germany's ICE will all be displayed on a 2.5 kilometer (1.5 mile) rail track in the Hamburg fairgrounds.

The ICE or Intercity Experimental train will whisk fair visitors between Bremen and Hamburg at speeds up to 280 kph (173 mph), well below its capability of 350 kph (217 mph). The Deutsche Bundesbahn, the German na-

tional railway operator, and other national railway operators as well as urban rail transport associations will also be exhibiting at the fair.

In Europe, probably more so than anywhere else, rail is poised for a comeback. National governments are moving toward policies encouraging rail travel, while the transportation ministries of Belgium, West Germany, France, Great Britain and the Netherlands have agreed to cooperate on the development of high-speed inter-European rail travel.

Numerous reasons exist for promoting train travel. Rail is considered the safest transport medium, and new technology is enhancing its reputation. Magnetic levitation trains — a departure from conventional wheel-and-rail technology — are considered incapable of derailing.

Although high-speed trains are designed primarily for passengers rather than cargo, other policies are promoting more cargo transport on rail, especially of dangerous goods. Trains are also environmentally sound. A medium-size automobile uses three times as much and an Airbus airplane six times as much energy per passenger as an express train, according to Gerd Weber, president of the German Locomotive Industry.

Trains are often powered by electricity, allowing nations to use innovative energy sources and reduce potentially destabilizing dependencies on oil. Austria, for example, uses hydroelectric power to run most of its railway.

Railways also require less space, important in densely populated areas such as Europe. A two-track railway is typically 14 meters wide, one-third the width of a six-lane



Airbus engines at a Lufthansa plant (above); an ICE locomotive (right); and the Airbus A 330.

highway and one-fourth that of an inland waterway.

Trains, particularly the newer models, are quieter than other modes of transport. Also, rail transport has enormous potential for automation and hence rationalization and cost-cutting.

A West German Transport Ministry official said the technological and economic success of France's TGV is encouraging other nations to develop similar high-speed rail systems.

For many of Europe's railways, new technologies are a matter of survival. The railways are troubled by losses, with government subsidies covering up to 80 percent of costs.

The Bundesbahn expects to lose 4.2 billion Deutsche marks this year, and losses are expected to climb to 7 billion DM by 1992. Meanwhile, passenger and cargo volumes continue to slip. Rail currently accounts for only 6 percent of passenger traffic in West Germany.

Magnetic levitation trains cannot be operated on conventional tracks, requiring additional investments. The technology is too expensive for cargo transport, one of the reasons why the Bundesbahn chose conventional high-speed trains rather than magnetic levitation vehicles for its Cologne-to-Frankfurt route.

Placement is also a problem. Siting an elevated track above the center divider of highways, one of the most durable suggestions, is questionable for safety reasons: drivers might be distracted by the sight of a train passing overhead at 400 kph. (248 mph).

But the high-technology bridge to a profitable future for national railway operators is not without obstacles. Investments often require bil-

Long-Range Planning a Must

THIS year's IVA will be the first since 1979, a long absence for what many consider the world's most important transportation trade fair. Indeed, many trade fairs in West Germany and other nations are held annually, some twice a year. But after June, the next IVA is likely to be at the end of the 1990s, a reflection of its focus on transportation technology, which takes years or decades to develop.

"A 10-year cycle is not unreasonable," said Franz Zeithammer, president of fair organizers Hamburg Messe and Congress GmbH. "The transportation industry has long-term cycles of technological development. It's different from industry to industry, but new automobiles are developed more quickly than ships, airplanes or trains."

Other transport modes are also characterized by lengthy development periods. West Germany's Transrapid magnetic levitation train is currently being tested on a track near Emsland, in the Federal Republic.

Peter Wieselmann, director of public relations at Thyssen Henschel, a part of the consortium developing the Transrapid, noted that more than half a century has passed since the concept of magnetic levitation trains was introduced in 1935.

The long-term cycles force the transportation industry to be highly innovative, Mr. Grendel said, adding that the designs and materials created today must be applicable 20 or 30 years or more in the future.

The enormous cost of transport systems makes it too costly to replace systems frequently. Therefore, transport technology usually must be

valid for decades to be cost-efficient.

Extensive testing of new systems also adds to the development time. According to the West German Transportation Ministry, Germany's new Intercity Experimental (ICE) train has recorded 4 million kilometers of tests.

But, today, perhaps more so than any other time in recent memory, transport technology developments are changing our world. "Today we are at a turning point," Mr. Zeithammer said, noting that unique requirements are being met by innovative projects such as the English Channel tunnel or the new airport near Osaka, Japan, to be built on a man-made island.

Technology is not only changing the way we move, but the way we live. "New transportation technology has brought a revolution to Europe and made the European Community possible," Mr. Zeithammer said. For example, whereas existing high-speed trains are limited to domestic routes because of different international voltages, multi-voltage locomotives will make high-speed inter-European rail travel a reality.

Indeed, new technologies are changing the relations between existing transportation modes. People will increasingly turn to mass transit systems as they become faster than automobiles.

A train between Paris and Cologne, West Germany, currently takes five-and-a-half

hours, about an hour more than by automobile. But high speed trains will reduce the travel time to about two hours. Other transport industries such as aviation are also developing faster systems.

But, at the same time, the trend will continue toward transportation systems that pollute less, which the Germans call *Umweltfreundlich* or "friendly to the environment." Mr. Zeithammer said: "This will be a dominant theme in transportation. Everything from cars to rockets burden the environment, and there will be an effort to lower this."

Indeed, whereas airplanes and trains travel faster than ever today, their per-passenger energy consumption continues to drop. For example, the ICE train wins back energy when braking, energy that would normally be lost.

Another area of development is toward space-saving systems, as land becomes too scarce and too valuable to devote to transportation. An example of such technology is a bus by Daimler-Benz that drives on a narrow, concrete track.

The bus, already in use in West Germany, runs on a separate track parallel to highways, thereby allowing it to avoid traffic in congested urban areas. Normally the bus can only drive as fast as the flow of traffic.

Safety will also become an increasingly important theme, as indicated by its strong presence in the schedule of congresses at the IVA. The theme applies not only to passenger travel but to cargo as well.

Finally, new technologies will aim at reducing cargo transport costs. Many industries worldwide have rationalized production and cut costs to a minimum. Therefore, industries are turning to transportation and distribution expenses in an effort to cut costs and remain competitive.

This Advertising Section was written by Erich Toll.

DEAR
LEON
AT I
YOU
CAN
HOW
YOU
HAV
DEV
FRO
JUN
IN
HAN

Hamburg

ADVERTISING SECTION

ADVERTISING SECTION

DEAR
LEONARDO,

AT IVA '88
YOU
CAN ADMIRE
HOW
YOUR IDEAS
HAVE
DEVELOPED.
FROM
JUNE 1 - 12, 1988
IN
HAMBURG.



IVA '88, the global forum of transportation and traffic, offers you the comprehensive overview. IVA '88 brings ideas and innovations from every field of transportation and traffic. State-of-the-art and future-oriented applications from the aerospace industry. The latest public transportation systems. Rail traffic developments presented on over 2 km of track. Changes in ports and shipping. Live demonstrations of automobiles, commercial vehicles and road traffic issues. Plus state-of-the-art information and communication systems for global information transfer. IVA '88 opens up the future.

IVA 88
HAMBURG
International Transport and
Traffic Exhibition
June 1 - 12, 1988

Hamburg Messe und Congress GmbH
Janusstraße 12 · PD Box 20 24 80 · 2000 Hamburg 46
West Germany
Tel. (040) 26 69 0 · Telex 25 89 21 80 · Telefax 2 12 60 9

Hamburg  Messe

the address for congresses and fairs

Tuesday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

12 Month High Low Stock Div. Yld. PE 52-Week High Low Close

(Continued)

174	174	McKer	1.44	14	45	111	111	111
175	175	McKer	1.44	14	45	111	111	111
176	176	McKer	1.44	14	45	111	111	111
177	177	McKer	1.44	14	45	111	111	111
178	178	McKer	1.44	14	45	111	111	111
179	179	McKer	1.44	14	45	111	111	111
180	180	McKer	1.44	14	45	111	111	111
181	181	McKer	1.44	14	45	111	111	111
182	182	McKer	1.44	14	45	111	111	111
183	183	McKer	1.44	14	45	111	111	111
184	184	McKer	1.44	14	45	111	111	111
185	185	McKer	1.44	14	45	111	111	111
186	186	McKer	1.44	14	45	111	111	111
187	187	McKer	1.44	14	45	111	111	111
188	188	McKer	1.44	14	45	111	111	111
189	189	McKer	1.44	14	45	111	111	111
190	190	McKer	1.44	14	45	111	111	111
191	191	McKer	1.44	14	45	111	111	111
192	192	McKer	1.44	14	45	111	111	111
193	193	McKer	1.44	14	45	111	111	111
194	194	McKer	1.44	14	45	111	111	111
195	195	McKer	1.44	14	45	111	111	111
196	196	McKer	1.44	14	45	111	111	111
197	197	McKer	1.44	14	45	111	111	111
198	198	McKer	1.44	14	45	111	111	111
199	199	McKer	1.44	14	45	111	111	111
200	200	McKer	1.44	14	45	111	111	111

12 Month High Low Stock Div. Yld. PE 52-Week High Low Close

201	201	McKer	1.44	14	45	111	111	111
202	202	McKer	1.44	14	45	111	111	111
203	203	McKer	1.44	14	45	111	111	111
204	204	McKer	1.44	14	45	111	111	111
205	205	McKer	1.44	14	45	111	111	111
206	206	McKer	1.44	14	45	111	111	111
207	207	McKer	1.44	14	45	111	111	111
208	208	McKer	1.44	14	45	111	111	111
209	209	McKer	1.44	14	45	111	111	111
210	210	McKer	1.44	14	45	111	111	111
211	211	McKer	1.44	14	45	111	111	111
212	212	McKer	1.44	14	45	111	111	111
213	213	McKer	1.44	14	45	111	111	111
214	214	McKer	1.44	14	45	111	111	111
215	215	McKer	1.44	14	45	111	111	111
216	216	McKer	1.44	14	45	111	111	111
217	217	McKer	1.44	14	45	111	111	111
218	218	McKer	1.44	14	45	111	111	111
219	219	McKer	1.44	14	45	111	111	111
220	220	McKer	1.44	14	45	111	111	111

12 Month High Low Stock Div. Yld. PE 52-Week High Low Close

221	221	McKer	1.44	14	45	111	111	111
222	222	McKer	1.44	14	45	111	111	111
223	223	McKer	1.44	14	45	111	111	111
224	224	McKer	1.44	14	45	111	111	111
225	225	McKer	1.44	14	45	111	111	111
226	226	McKer	1.44	14	45	111	111	111
227	227	McKer	1.44	14	45	111	111	111
228	228	McKer	1.44	14	45	111	111	111
229	229	McKer	1.44	14	45	111	111	111
230	230	McKer	1.44	14	45	111	111	111
231	231	McKer	1.44	14	45	111	111	111
232	232	McKer	1.44	14	45	111	111	111
233	233	McKer	1.44	14	45	111	111	111
234	234	McKer	1.44	14	45	111	111	111
235	235	McKer	1.44	14	45	111	111	111
236	236	McKer	1.44	14	45	111	111	111
237	237	McKer	1.44	14	45	111	111	111
238	238	McKer	1.44	14	45	111	111	111
239	239	McKer	1.44	14	45	111	111	111
240	240	McKer	1.44	14	45	111	111	111

12 Month High Low Stock Div. Yld. PE 52-Week High Low Close

241	241	McKer	1.44	14	45	111	111	111
242	242	McKer	1.44	14	45	111	111	111
243	243	McKer	1.44	14	45	111	111	111
244	244	McKer	1.44	14	45	111	111	111
245	245	McKer	1.44	14	45	111	111	111
246	246	McKer	1.44	14	45	111	111	111
247	247	McKer	1.44	14	45	111	111	111
248	248	McKer	1.44	14	45	111	111	111
249	249	McKer	1.44	14	45	111	111	111
250	250	McKer	1.44	14	45	111	111	111
251	251	McKer	1.44	14	45	111	111	111
252	252	McKer	1.44	14	45	111	111	111
253	253	McKer	1.44	14	45	111	111	111
254	254	McKer	1.44	14	45	111	111	111
255	255	McKer	1.44	14	45	111	111	111
256	256	McKer	1.44	14	45	111	111	111
257	257	McKer	1.44	14	45	111	111	111
258	258	McKer	1.44	14	45	111	111	111
259	259	McKer	1.44	14	45	111	111	111
260	260	McKer	1.44	14	45	111	111	111

12 Month High Low Stock Div. Yld. PE 52-Week High Low Close

261	261	McKer	1.44	14	45	111	111	111
262	262	McKer	1.44	14	45	111	111	111
263	263	McKer	1.44	14	45	111	111	111
264	264	McKer	1.44	14	45	111	111	111
265	265	McKer	1.44	14	45	111	111	111
266	266	McKer	1.44	14	45	111	111	111
267	267	McKer	1.44	14	45	111	111	111
268	268	McKer	1.44	14	45	111	111	111
269	269	McKer	1.44	14	45	111	111	111
270	270	McKer	1.44	14	45	111	111	111
271	271	McKer	1.44	14	45	111	111	111
272	272	McKer	1.44	14	45	111	111	111
273	273	McKer	1.44	14	45	111	111	111
274	274	McKer	1.44	14	45	111	111	111
275	275	McKer	1.44	14	45	111	111	111
276	276	McKer	1.44	14	45	111	111	111
277	277	McKer	1.44	14	45	111	111	111
278	278	McKer	1.44	14	45	111	111	111
279	279	McKer	1.44	14	45	111	111	111
280	280	McKer	1.44	14	45	111	111	111

12 Month High Low Stock Div. Yld. PE 52-Week High Low Close

281	281	McKer	1.44	14	45	111	111	111
282	282	McKer	1.44	14	45	111	111	111
283	283	McKer	1.44	14	45	111	111	111
284	284	McKer	1.44	14	45	111	111	111
285	285	McKer	1.44	14	45	111	111	111
286	286	McKer	1.44	14	45	111	111	111
287	287	McKer	1.44	14	45	111	111	111
288	288	McKer	1.44	14	45	111	111	111
289	289	McKer	1.44	14	45	111	111	111
290	290	McKer	1.44	14	45	111	111	111
291	291	McKer	1.44	14	45	111	111	111
292	292	McKer	1.44	14	45	111	111	111
293	293	McKer	1.44	14	45	111	111	111
294	294	McKer	1.44	14	45	111	111	111
295	295	McKer	1.44	14	45	111	111	111
296	296	McKer	1.44	14	45	111	111	111
297	297	McKer	1.44	14	45	111	111	111
298	298	McKer	1.44	14	45	111	111	111
299	299	McKer	1.44	14	45	111	111	111
300	300	McKer	1.44	14	45	111	111	111

12 Month High Low Stock Div. Yld. PE 52-Week High Low Close

301	301	McKer	1.44	14	45	111	111	111
302	302	McKer	1.44	14	45	111	111	111
303	303	McKer	1.44	14	45	111	111	111
304	304	McKer	1.44	14	45	111	111	111
305	305	McKer	1.44	14	45	111	111	111
306	306	McKer	1.44	14	45	111	111	111
307	307	McKer	1.44	14	45	111	111	111
308	308	McKer	1.44	14	45	111	111	111
309	309	McKer	1.44	14	45	111	111	111
310	310	McKer	1.44	14	45	111	111	111
311	311	McKer	1.44	14	45	111	111	111
312	312	McKer	1.44	14	45	111	111	111
313	313	McKer	1.44	14	45	111	111	111
314	314	McKer	1.44	14	45	111	111	111
315	315	McKer	1.44	14	45	111	111	111
316	316	McKer	1.44	14	45	111	111	111
317	317	McKer	1.44	14	45	111	111	111
318	318	McKer	1.44	14	45	111	111	111
319	319	McKer	1.44	14	45	111	111	111
320	320	McKer	1.44	14	45	111	111	111

12 Month High Low Stock Div. Yld. PE 52-Week High Low Close

321	321	McKer	1.44	14	45	111	111	111
322	322	McKer	1.44	14	45	111	111	111
323	323	McKer	1.44	14	45	111	111	111
324	324	McKer	1.44	14	45	111	111	111
325	325	McKer	1.44	14	45	111	111	111
326	326	McKer	1.44	14	45	111	111	

BUSINESS ROUNDUP

Westland Lacks Helicopter Orders

Reuters
YEOVIL, England — The aerospace company Westland Group PLC said Tuesday that it did not expect to win its first order for the Sikorsky Black Hawk helicopter until the end of 1989, more than three years after its financial rescue by Sikorsky's parent, United Technologies Corp., and Fiat SpA of Italy.

Financial sources said Westland's expectations fell far short of earlier targets. A 1986 internal document forecast 10 Black Hawk deliveries a year from 1989, rising to 20 a year from 1992 through 1997. Under the rescue, United Technologies and Fiat each took a 7.75 percent stake in the ordinary stock of the company.

Corning Says It Will Pay \$260 Million to Acquire ICL

United Press International
CORNING, New York — Corning Glass Works, in its largest acquisition ever, said Tuesday that it would pay \$260 million to buy International Chemical Laboratories Inc. of Nashville, Tennessee.

The deal, which is subject to a federal antitrust review, would give Corning the capacity to expand its share of the rapidly growing clinical diagnostic testing market. Corning's MetPath Inc. subsidiary in Teterboro, New Jersey, operates 13 major clinical testing laboratories in the United States. ICL has 13 similar labs, mainly in the South and the West.

"We think the whole diagnostic testing area will continue to grow," said Stephen Albertelli, a Corning spokesman. He added that as such tests become more precise and less expensive, "we think more health care dollars will be dedicated for testing."

James Houghton, the chairman of Corning, said the merger would mildly dilute the glassmaker's 1988 per-share earnings. He added, however, that by 1989, ICL "should be making a significant contribution to earnings."

Campeau Lists Funds for Bid

Reuters
WASHINGTON — Campeau Corp., vying with R.H. Macy & Co. to buy Federated Department Stores Inc., said Tuesday that it expected roughly half its \$6.1 billion bid to be funded with \$2.6 billion in bank financing.

In a filing with the U.S. Securities and Exchange Commission, Campeau said it was negotiating with several major commercial banks on terms.

An additional \$1.5 billion is expected to be raised through the sale of subordinated notes of CRTF Corp., a Campeau unit. Campeau said part of that financing would be provided by First Boston Inc. and its affiliates. Campeau said First Boston expressed confidence about raising the money.

In a filing with the U.S. Securities and Exchange Commission, Campeau said it was negotiating with several major commercial banks on terms.

Westland is facing a very large order gap, largely due to the cutbacks in Ministry of Defense spending. Profits are going to look very flat over the next few years."

He estimated pretax profits for the year to Sept. 30, 1988, at about £28 million (\$50.92 million), against £34.4 million, a record, the previous year.

Total orders outstanding as of Sept. 30 were £692.9 million, a decrease of 18 percent from £844.3 million a year earlier.

The EH-101, a joint project with Agusta SpA of Italy, is the company's largest single project to date. Recent press reports have suggested delays and technical difficulties over the tail rotor system, being developed by Agusta.

Battle for Roper Puts Appliance Strategy on Front Burner

By John Holusha
New York Times Service

DETROIT — The takeover contest between General Electric Co. and Whirlpool Corp. for Roper Corp., a maker of kitchen ranges and riding lawn mowers, reflects the changes in strategy and the consolidation under way in the maturing home-appliance business, analysts say.

complement GE's own electric models and would give it access to thousands of consumers who buy appliances from Sears, Roebuck & Co., a major Roper customer.

In an apparent attempt to raise antitrust questions, Mr. Whitman said Whirlpool's acquisition of Roper "would increase competition in the value-oriented segment of the market served by Roper" by broadening its product line. This, he said, would allow it to "compete directly with other current suppliers to that market segment such as GE's Hotpoint operation."

On Monday, GE announced a bid of \$45 a share, or \$423 million, for Roper, which is based in Augusta, Georgia. That topped the \$37.50-a-share merger offer from Whirlpool that had already been endorsed by Roper's board.

Roper was already a supplier of gas ranges to GE, said Charles Ryan, an analyst at Merrill Lynch & Co. "So it is a natural fit," he added. "The entree to Sears is a double benefit."

Roper's stock, which jumped \$11 on the New York Stock Exchange on Monday, closed Tuesday at \$48.75, up 37.5 cents for the day.

Lorimar and Warner Hold Talks on Possible Merger

Compiled by Our Staff From Despatches

CULVER CITY, California — Lorimar-Telepictures Corp., laden with debt despite its success as a leading television programmer, has announced that it is exploring the possibility of a business combination with Warner Communications Inc.

Warner-Telepictures official was reported Friday as saying that the company was not planning any announcements that would affect the price of its stock.

Lorimar, formed in February 1986 by a stock-swapped combination of Lorimar Inc., is the largest supplier of prime-time television series to the three major U.S. networks and a leader in first-run syndication programs, shows produced specifically for initial airing on independent and network-affiliated television stations.

Nevertheless, Lorimar has posted losses for the past six quarters and has been selling off a number of assets, including advertising agencies, magazines and television stations.

INVESTORS Diversify to protect your investments

International interest rates, the U.S. trade deficit, the recent world stockmarket crash and fears of inflation are just some of the reasons why you should consider the futures market as a hedge against the risk exposure of your current investments. Now is a timely opportunity to diversify to protect your profits.

largest broad based, professional firms specialising in futures. Known as the managers' manager, G.I.M. will research, evaluate and select one or more trading managers with a proven track record and a compatible philosophy to match your financial requirements. Can you afford not to find out more? Call or write to Derek Adler, Geldermann Investment Management, Plantation House, Mincing Lane, London EC3M 3DX. Tel: (01) 623 9611.

GELDERMANN INVESTMENT MANAGEMENT



Name _____ Address _____
 We send you the Geldermann Investment Management Brochure FREE (HT-01)

IMAGE: The Yuppie Ad Is Passé

(Continued from first finance page)
 "It's a bunch of serious white guys with worried looks on their faces."

two months. A Disneyland spokesman says, for his part, that's just fine. "It helps develop an awareness that there is a difference between Disneyland and Disney World," said Mark Feary, Disneyland's director of marketing. "Besides, when people see Mickey Mouse in the ad, I think there's a rub-off effect, and they also think of us."

Tests for drug use and the AIDS virus are the industry's biggest growth areas, according to industry experts.

Several analysts assumed that Warner would shut down Lorimar's costly movie production business and capitalize on its strong television operation if a merger is reached.

Gene Chaput, vice president, said, "We're taking a pot shot at yuppies, but it's a group that we don't have a chance of attracting anyway."

Monday's announcement was prompted by extraordinary activity in Lorimar's stock last Friday when more than 1.65 million Lorimar shares changed hands, making it the second most active Amex issue. Despite the activity, a Lorimar-Telepictures official was reported Friday as saying that the company was not planning any announcements that would affect the price of its stock.

The Carlyle Hotel
 Madison Avenue at 76th Street
 New York 10021
 Cable The Carlyle Hotel 650992
 International Telex 650992
 Telephone 212-746-1000
 FAX 212-717-4822
 A member of The Sharp Group since 1967

BUSINESS SCHOOL LAUSANNE
SATURDAY M. B. A.
 Sign on M.B.A. by taking our Saturdays only program. 8 hours of classes each Saturday - internal exams.
 Next course begins March 19.
 Contact Admissions Office
 38 av. Ed. Daguin or P.O. Box 2290
 1002 LAUSANNE, Switzerland
 Tel: 021/27 38 33.

Indigo Ideas
 Informed bulls often make use of call options to chisel away of false supply ceilings created by manipulated bears in controversial stocks such as Compaq. Write, phone or look for complimentary reports explaining how equity can compound itself when wisely used in such cases.
INDIGO INVESTMENT, S.A.
 Avila Palace 66, Boulevard 42, Luxembourg, Belgium, South.
 Phone 34-52-289000
 Fax 34-52-289274
 Telex 794923.
 * Indigo is not a licensed broker.

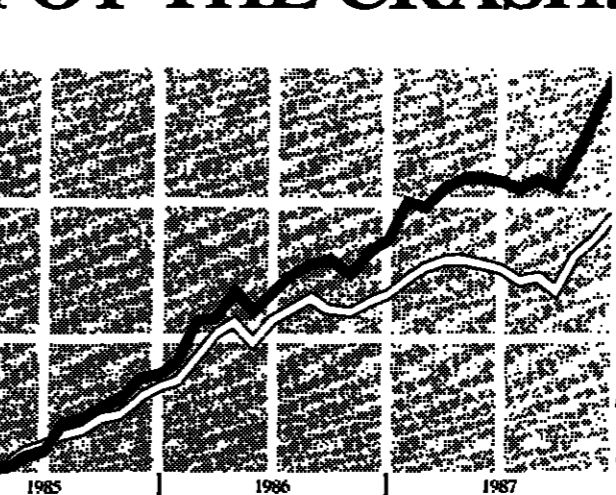
Exxon Planning Spending Rise

Reuters
NEW YORK — Exxon Corp. is increasing capital spending on continuing operations by \$1.2 billion this year to \$6.5 billion, according to analysts who met Tuesday with the oil giant's chairman, Lawrence Rawl.

In 1987, Exxon spent about \$7.1 billion on capital expenditures, but that figure included \$1.8 billion for oil and gas property acquisitions. Analysts said the company was also prepared to sell some refining, or marketing assets.

Meanwhile, Mobil Corp. said it planned to increase capital spending about 10 percent in 1988 from the estimated \$3 billion last year.

SPOT THE CRASH.



Returns on US\$ 100 invested
 — Rorento
 - - Salomon Brothers
 ... World Bond Index
 (Source: Datastream)

The stockmarket crash occurred on October 19th, 1987. During that particular month, however, the dollar value of holdings in our investment company, Rorento, actually increased by 5.9%. And, as the graph shows, performance over the longer term is better still.

shareholders are not liable to income tax on the accumulated revenues. So if you're looking to balance your portfolio with a low-risk investment and still maintain first class performance, you'd be hard pressed to find a more suitable investment vehicle than Rorento.

Low risk doesn't have to mean low return.
 In the three years to 31st December 1987, investments in Rorento have achieved a 33.5% average annual growth rate.*
 Put another way, an investment of US\$ 10,000 on 31st December 1984 would have grown to US\$ 24,870 by 31st December 1987.* To show you just how good this performance is, our graph compares Rorento's returns with the Salomon Brothers World Bond Index.
 In fact, over the same period, the American Lipper Analytical Services company ranked Rorento, with over US\$ 2 billion under management, 1st out of the 5 largest overseas global bond funds.†
 Please remember, however, that past performance does not necessarily indicate future performance.

Available through Robeco Geneva Account.
 Rorento is available through the Robeco Geneva Account. Set up by the Robeco Group, Europe's largest investment house, this account also offers confidential and easy access to the Group's three other investment companies.
 There's Robeco (blue-chip stocks and shares), Rolinco (growth-oriented stocks), or Rodamco (commercial property).
 The minimum Robeco Geneva Account investment is just US\$ 5,000 (or equivalent). And, with access to all four Robeco Group investment companies both easy and inexpensive, you'll have the flexibility to take advantage of a wide range of investment opportunities whenever they arise.
 Send us a completed coupon today, and we'll send you all the details you'll need to invest in Rorento or any of our other three investment companies.

How Rorento can work for you.
 Broadly speaking, a holding in Rorento offers you an investment in a portfolio of mainly government-guaranteed international bonds and other interest-bearing instruments, concentrating particularly on hard currency bonds.
 Bonds have always been a comparatively low-risk investment and Rorento further limits that risk by means of a global spread.
 Rorento's Managers then improve on ordinary bond interest performance by carefully exploiting international developments in interest rates and currency fluctuations, making sure that they cover any currency exposure whenever an undue risk is perceived.
 Income generated by Rorento is not distributed, but instead reinvested. As a result, the Rorento share price reflects not only the capital gains derived from bond and currency appreciations, but also the income from bond interest.
 Which is why, in a number of countries, Rorento

*Robeco Group figures to 31.12.87.
 †Lipper Overseas Global Bond Fund Table to 31.12.87.

To: The Manager, Robeco Group,
 PO Box 973, 3000 AZ Rotterdam, Holland.
 I'm interested in your Robeco Geneva Account. Please tell me more.
 Mr/Mrs/Miss (Please delete where appropriate)
 Name (Surname and initials) _____
 Full Address _____
 Postcode _____
 Country _____

ROBECO GROUP

Share the wealth.

The Global Newspaper.

Tuesday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Table with columns: 17 Month High, Low, Stock, Div. Yld. Pct., SL, High, Low, Stock, Div. Yld. Pct., SL. Lists various stocks and their prices.

Table with columns: 17 Month High, Low, Stock, Div. Yld. Pct., SL, High, Low, Stock, Div. Yld. Pct., SL. Lists various stocks and their prices.

Table with columns: 17 Month High, Low, Stock, Div. Yld. Pct., SL, High, Low, Stock, Div. Yld. Pct., SL. Lists various stocks and their prices.

Table with columns: 17 Month High, Low, Stock, Div. Yld. Pct., SL, High, Low, Stock, Div. Yld. Pct., SL. Lists various stocks and their prices.

Table with columns: 17 Month High, Low, Stock, Div. Yld. Pct., SL, High, Low, Stock, Div. Yld. Pct., SL. Lists various stocks and their prices.

Table with columns: 17 Month High, Low, Stock, Div. Yld. Pct., SL, High, Low, Stock, Div. Yld. Pct., SL. Lists various stocks and their prices.

INTERNATIONAL FUNDS (Quotations by Funds Listed) 8th March 1988

Large table listing various international funds with columns for fund name, price, and other details. Includes sub-sections like 'Other Funds' and 'Deutsche Marks'.

Table listing various international funds with columns for fund name, price, and other details.

Table listing various international funds with columns for fund name, price, and other details.

Table listing various international funds with columns for fund name, price, and other details.

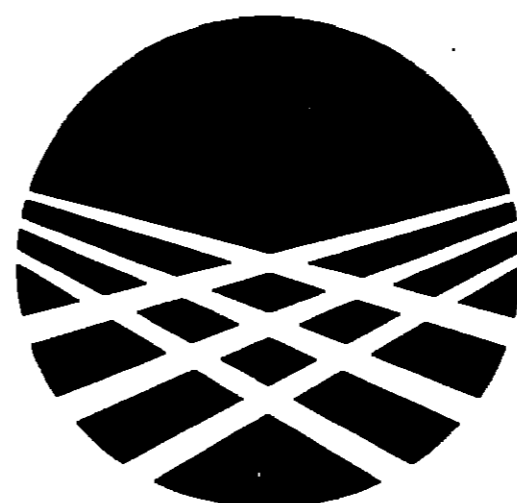
Table listing various international funds with columns for fund name, price, and other details.

Table listing various international funds with columns for fund name, price, and other details.

Table listing various international funds with columns for fund name, price, and other details.

Vertical text on the right edge of the page, including 'January 1st' and other illegible text.

January 1st 1988 - Fiatagri and Fiatallis together in a new company.



Nowadays, the challenge of constantly **FiatGeotech:** improving competitiveness requires both **a new landmark** insight and foresight when making decisions. **on the horizon.** FiatGeotech, that unites the force of two great partners, Fiatagri and Fiatallis each a top ranker in its own area of specialization, is the Fiat Group's prompt effective response to this challenge. Through FiatGeotech, these two firmly established, world renowned brands can now fully exploit their combined strength and renewed resources, continuing to offer the market top flight products, networks and services. From today, FiatGeotech encompasses the land: land to be cultivated, land to be worked. The figures speak for themselves: 10 facilities, 14,000 employees, a forecast turnover for 1988 of approx. \$2,395 million, with \$265 million earmarked for investments in the three year period 1988-90. A solid basis to imbue the system with renewed energy and fresh vitality, to re-affirm its forefront position amongst world leaders. FiatGeotech reflects the Fiat Group's firm intention to operate in this sector, rationalizing productivity and enhancing technological innovation, to offer its customers increasingly advanced equipment and efficient, effective services. New horizons for the land: FiatGeotech.

FIATGEOTECH
EARTH TECHNOLOGY

CURRENCY MARKETS

POUND: Despite Rise, Thatcher Rules Out Rate Cut

(Continued from first finance page) months had been exceptionally narrow and could not last forever.

But they said stability of the pound did not mean immobility. Some private analysts, however, warned that the pound had now entered a period of uncertainty, in which it could soon come under renewed downward pressure.

"It is a very unstable and dangerous situation," said Christopher Johnson, chief economic adviser to Lloyds Bank PLC.

When the Bank of England signals that it wants to end the rally, speculators will "take their profits and rush for the exits," Mr. Johnson predicted. Then, he said, the pound could go into a free-fall "and who knows where it would stop?"

John Coff, the economic director of the Confederation of British Industry, a management group, said, "We had been determined to impress upon the government the need for stability of the pound against the DM."

"If this rise in the pound signals a change in government policy, then business would be concerned because the right solution in our view would be to reduce interest rates."

Mr. Johns of Phillips & Drew said that in deciding to abandon the 3 DM ceiling, the government had opted for "the lesser of three evils."

London Dollar Rates

Table with columns: Currency, Unit, Rate. Includes Deutsche mark, French franc, Swiss franc, etc.

It did not want to feed inflation by lowering interest rates to reduce upward pressure on the pound.

The third option, further huge purchases of foreign currency, like the Bank of England made on Friday, would have added to domestic liquidity too fast by increasing the supply of pounds in circulation.

That would have loosened further what many traders and economists see as an already lax monetary posture.

Britain's broadest measure of money supply growth, M-3, expanded at a year-to-year rate of 22.4 percent last month.

Pressure on the market made "a collective decision" to sell dollars and buy the pound, Mr. Johns said.

High British interest rates, especially compared with those of West Germany, and a robust domestic economy have triggered a strong inflow of funds into pound-denominated assets.

Last week, the Bank of England sold several billion pounds to keep the pound below 3 DM.

Traders said the bank intervened only marginally on Monday and was not active on Tuesday.

Analysts in London said the higher range for the pound was not a signal that Britain was abandoning its policy of a "managed float" of the pound against the Deutsche mark, but an indication that domestic monetary goals could take precedence over export competitiveness.

"The government is obviously putting a lot more priority on monetary control and less on rigid exchange rate stability," said Brendan Brown, chief economist with County NatWest Investment Bank.

He added: "Although the top of the new range has yet to be tested, I think it's clear the Bank of England has set a long-term range of 2.95 to 3.10."

"We've already begun to see some profit-taking, as one would expect, and I suspect the Bank of England will give steady support to the pound when it starts to drift back on more profit-taking, thereby establishing a short-term range of 3.05 DM to 3.10 DM."

In earlier European trading, the dollar was fixed in Frankfurt at 1.674 DM, down from 1.680 DM at Monday's close, and in Paris at 5.650 French francs, down from 5.7045.

It closed in Zurich at 1.3755 Swiss francs, down from 1.3870.

Japan Sources Expect Meeting Of G-5 in April

TOKYO — The Group of Five major industrial nations or the Group of Seven, or both, are likely to meet in Washington in mid-April, Japanese government sources said Tuesday.

The meeting would be held, as is usually the case, in connection with the meeting of the International Monetary Fund's interim committee on April 14 and the development committee on April 15.

The Japanese sources said the nations were contacting each other about the exact timing of the meeting.

The sources did not disclose any agenda but said the nations would probably reaffirm their December agreement on currency stability.

The Group of Five comprises the United States, Japan, West Germany, France and Britain. The Group of Seven comprises the G-5, Italy and Canada.

Frequent Fliers Fear Restrictions on Free Trips

By Agis Salpukas New York Times Service NEW YORK — Joe Dulle, the president of a group of retail stores in Texas whose headquarters is in Fort Worth, often drives to visit his store in San Antonio. If he flies, he takes a commuter airline from a nearby airport.

This month, however, he drove to Dallas-Fort Worth International Airport to make the 42-minute flight on American Airlines. His purpose: to qualify for the triple-mileage provision in American's frequent-flyer program, which requires that members make at least one round trip or two one-way trips by March 31.

"I went to the big airport and to American to qualify," he said. "Triple mileage is what made me change my plans."

Travel surged last month on such carriers as American, partly because of its requirement that customers travel before March 31 to qualify for triple mileage on all the trips they make this year.

Since American initiated the frequent-flyer concept in May of 1981, under which travelers earn free trips if they accumulate certain amounts of mileage, the programs have become an important marketing tool. But rarely have they caused so much controversy.

Some members, particularly those who have hundreds of thousands of miles banked, fear that as new people are attracted into the programs and as many begin to turn in their miles, the airlines may restrict seats to highly desirable destinations and make it more difficult to qualify for free trips.

Lee Schipper, a scientist at Lawrence Berkeley Laboratories in California, who has hundreds of thousands of miles banked with a number of carriers, said he feared that airlines may change the rules and ask for more miles for a free ticket.

"This may be a real good thing now, but in the long run it could backfire," he said. United Airlines, for example, already plans to restrict capacity on some of its Pacific destinations for use by frequent fliers, but such steps so far have been limited.

Much more likely will be incentive programs that will seek to shift travel away from peak periods by offering free tickets for less miles during off-peak times.

There are also fears that the Internal Revenue Service may decide to tax the benefits in the

He said that about 40 percent of employees, while passengers traveling by air, tickets make up only about 2 percent of total passengers.

He described the program as a "win-win" for the customer. "Many are changing travel plans to cash in."

Mr. Schipper, for example, decided to fly on a particular carrier to Europe later this month rather than on an airline he considered desirable, because it will enable him to qualify for the triple-mileage program.

And "mileage junkies," as they are called in the industry, are already learning to exploit frequent-flyer programs by finding ways to gain enormous mileage for relatively short trips.

John Cross, an employee for Consumer Reports Travel Letter, a newsletter geared to frequent travelers, said he made a round-trip between San Diego and San Francisco, a distance of 894 miles (1,432 kilometers), for only \$78, in such a way that it enabled him to obtain 12,000 miles on his frequent-flyer benefits incentives that Delta Air Lines offers.

To get so much mileage, Mr. Cross had to fly to Los Angeles and then make a connecting flight to San Diego on Delta, though he had to wait five hours in San Diego before returning.

Some frequent fliers also have become saturated, accumulating so many miles that they do not have time to cash them in. There are estimates that large amounts of miles will never be used, easing pressure on the airlines.

Airline executives also predict that the current liberal program will run its course for a year and then all the major airlines will decide to bring it to an end.

"We look at it as a one-year aberration," Mr. Gunn said. "Then some sanity will come back."

'Mileage junkies' are learning to exploit the programs by finding ways to gain enormous mileage for relatively short trips.

future, a move that could set off a deluge of travelers seeking to use their mileage at once.

Some airline analysts say they are concerned that such a flood of travelers could cause a huge demand for flights to certain markets, draining revenue from paying passengers.

Estimates of such losses have ranged from \$300 million to \$900 million under the assumption that airlines would be forced to deny seats to paying passengers.

The response of the industry is that such concerns are exaggerated. Mike Gunn, the senior vice president of marketing for American Airlines, said major carriers would handle the demand largely by filling seats that would have gone empty.

KODAK: New Focus on the Future Is Reflected in an Array of Changes

(Continued from first finance page) Kodak had led them to expect earnings that were even higher.

Despite the barbs, Kodak executives still say they are racing down the right path. "We must grow, and our internal changes were necessary structural adjustments to assure that growth," said Colby H. Chandler, Kodak's chief executive.

In fact, Kodak has developed a need for the change," Mr. Chandler said.

J. Phillip Samper, vice chairman of Kodak and a prime mover behind the reorganization, is more graphic. "There's been an enormous amount of pain and trauma," he said. "And the culture's not completely changed yet."

If any one word could have described Kodak's old culture, it would have been "insular."

acts and those of competitors, checking them in terms of costs, quality and the like.

So in 1980 and 1981, Mr. Samper went on a campaign to shake the company out of its complacency. He made a video "challenging the wonders of the Great Yellow Father," and sent it around to employees.

Actually, Kodak was about to have its strength threatened in

belt-tightening. The Sterling acquisition has brought Kodak's debt load to 55 percent of total capitalization, up from just 35 percent before the acquisition.

Many Wall Street analysts expect that Sterling brings valuable distribution and product strength to Kodak.

Still, they question whether Kodak might not have found those same strengths at a lower price.

small but vocal cadre of supporters among analysts and investors.

Kodak's new peppiness is no aberration; it has been institutionalized. Three years ago Kodak scrapped its centralized organization, it dismantled its huge manufacturing, research and marketing staffs, and created 24 business units, each with a general manager. It made those managers responsible for costs and profits as well as for quality.

Compared to its old lumbering self, Kodak is a veritable whirling dervish. It is spewing forth new products at a dizzying speed, 250 in the past two years. It has set up a separate venture division to provide seed money and assistance for staffers with ideas for new products. It is embracing new, quicker manufacturing techniques.

The new pace is evident in all of Kodak's business lines. The newest Kodak color copier, introduced on Jan. 13, took only two and a half years from start to finish, like the lithium battery. Unlike the battery, however, it has encountered no quality complaints.

Even the decision to acquire Sterling was made inordinately quickly, for Kodak.

Mr. Chandler is delighted with the changes, but his pleasure is tempered a bit. Kodak is not the only manufacturing company to compress its product development cycle.

But Kodak, long known as the Great Yellow Father for its cradle-to-grave relationship with its employees, arguably has paid the highest human price. It has been forced to abandon its paternalistic attitudes toward its employees and its arrogant aloofness toward anyone else.

"It's been hard for some of the old-line executives to accept the

Kodak's world was bounded by its Rochester headquarters. It was international in that up to 40 percent of its revenues came from outside the United States. But as far as Kodak was concerned, the only worthwhile ideas or processes were originated in its labs and offices.

For most of the company's 108-year history, it stied away from being first with anything. Kodak arguably could have given Xerox a run for the dry copier market in the 1960s; instead, Kodak spent a decade putting the finishing touches on its copiers before bringing one to market.

A few — very few — Kodak managers were troubled by the company's complacency. In 1971 when Mr. Chandler was director of program planning, he produced a balance sheet and earnings statement for 23 of Kodak's product lines, as a way of checking analytically how the company was deploying resources. He suggested a similar line-of-business reorganization then, but no one liked the idea.

So Kodak continued to suffer from its insularity and caution. By not interacting with outsiders, it lost touch with its own markets, and made a series of destructive product decisions.

The 1980s brought two things that changed Kodak, probably forever. One was the soaring dollar; the other was Mr. Samper.

During 14 years abroad, mostly in Latin America, Mr. Samper had seen European and Japanese competitors chip away at Kodak's market share even as Kodak's sales and earnings continued to rise. When he returned to Rochester as a marketing executive in 1976, he was appalled that no one at headquarters was tracking market share.

"No one had the responsibility," he said. He initiated a program to take hard looks at Kodak's prod-

ucts and those of competitors, checking them in terms of costs, quality and the like.

Mr. Chandler disagrees vehemently. He notes that Kodak already has a \$1 billion health care business. In addition to its sizable X-ray machine and film business, Kodak holds the patents on Nutril Vitamin E and already makes a number of pharmaceuticals.

Perhaps most important, pharmaceuticals are a high-margin business, and high margins in industries that are not easy to get into are what Kodak is all about.

"Health care is the highest-margin business of the future with a high cost of entry," Mr. Chandler said.

He may be right, but Kodak's photographic products people are not ready to give up the top spot.

"Last year we had the largest percentage of growth in 10 years in color negative exposures, and that's the biggest barometer of photographic products health," said Mr. Frezzano, who has committed nearly a quarter of a billion dollars to modernizing film operations.

Kodak is taking a closer look at its other photographic businesses, too. For example, it has made a good deal of money supplying photographic papers and chemicals to other photographers, but photofinishing itself never has been particularly profitable for the company.

Meanwhile, Kodak continues to pursue its cultural changes. It has a steady stream of professors and consultants teaching its people new ways to manage. It has elevated its blue-collar workers to the status of team members, and elicited productivity improvement suggestions from them.

But whether Kodak will keep the right stream of products flowing at the right pace remains to be seen. The Great Yellow Father is acting like a feisty teen-ager — but in adolescence, growth always has been a painful process.

Comprehensive U.S. election coverage from The New York Times and The Washington Post

Only the Trib brings you so much in-depth news and analysis of the crucial 1988 election — drawing on the unrivaled resources of our two parent newspapers. Shouldn't you be following the story every day?

Save 40%! by subscribing.

Herald Tribune

To: Subscription Manager, International Herald Tribune, 181, Avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France. Tel: (1) 46 37 93 61. Telex: 612832.

Please check the subscription term you desire: 52 extra issues with a 12-month subscription (364 issues in all) 26 extra issues with a 6-month subscription (182 issues in all) 13 extra issues with a 3-month subscription (91 issues in all)

My check is enclosed. Please charge my credit card. Access Amex Diners Visa Eurocard MasterCard

Card expiry date Signature

Card account number

Name Address City Country 9-3-88

Tel. In Germany, hand delivery is available in major cities on publication days. For details and rates, please check here and fill in your address. At these rates, you can get early morning hand delivery in the following cities: Oslo, Stavanger, Stockholm, Gothenburg and Malmö.

Table with columns: Country, Currency, 1 year, 6 mos., 3 mos. Lists rates for various countries like Austria, Denmark, France, etc.

Notice of Annual General Meeting of Shareholders

DOLLAR-BAER Julius Baer U.S. Dollar Bond Fund Ltd.

(A company incorporated in the Cayman Islands with limited liability)

NOTICE IS HEREBY GIVEN of the Annual General Meeting to be held at Julius Baer Bank and Trust Company Ltd., Butterfield House, Grand Cayman, Cayman Islands, on the 30th day of March, 1988 at 10 a.m. for the following purposes:

- 1. To receive and consider and, if thought fit, adopt the accounts presented by the Directors for the year ended 31st December, 1987 and the reports of the Directors and Auditors. 2. To ratify the acts of Directors. 3. To appoint Auditors and authorize the Directors to fix the Auditors' remuneration.

Secretary and Registrar: Julius Baer Bank and Trust Company Ltd., Butterfield House, P.O. Box 1100 Grand Cayman, Cayman Islands. Agents: Bank Julius Baer & Co. Ltd., Bahnhofstrasse 36, 8001 Zurich Switzerland. Société Bancaire Julius Baer SA Genève, 2, boulevard du Théâtre P.O. Box 221, 1211 Geneva 11 Switzerland.

Notice of Annual General Meeting of Shareholders

D-MARK-BAER Julius Baer D-Mark Bond Fund Ltd.

(A company incorporated in the Cayman Islands with limited liability)

NOTICE IS HEREBY GIVEN of the Annual General Meeting to be held at Julius Baer Bank and Trust Company Ltd., Butterfield House, Grand Cayman, Cayman Islands, on the 30th day of March, 1988 at 10.30 a.m. for the following purposes:

- 1. To receive and consider and, if thought fit, adopt the accounts presented by the Directors for the year ended 31st December, 1987 and the reports of the Directors and Auditors. 2. To ratify the acts of Directors. 3. To appoint Auditors and authorize the Directors to fix the Auditors' remuneration.

Secretary and Registrar: Julius Baer Bank and Trust Company Ltd., Butterfield House, P.O. Box 1100 Grand Cayman, Cayman Islands. Agents: Bank Julius Baer & Co. Ltd., Bahnhofstrasse 36, 8001 Zurich Switzerland. Société Bancaire Julius Baer SA Genève, 2, boulevard du Théâtre P.O. Box 221, 1211 Geneva 11 Switzerland.

Notice of Annual General Meeting of Shareholders

LIQUIBAER Julius Baer U.S. Dollar Fund Limited

(A company incorporated in the Cayman Islands with limited liability)

NOTICE IS HEREBY GIVEN of the Annual General Meeting to be held at Julius Baer Bank and Trust Company Ltd., Butterfield House, Grand Cayman, Cayman Islands, on the 30th day of March, 1988 at 11 a.m. for the following purposes:

- 1. To receive and consider and, if thought fit, adopt the accounts presented by the Directors for the year ended 31st December, 1987 and the reports of the Directors and Auditors. 2. To ratify the acts of Directors. 3. To appoint Auditors and authorize the Directors to fix the Auditors' remuneration.

Secretary and Registrar: Julius Baer Bank and Trust Company Ltd., Butterfield House, P.O. Box 1100 Grand Cayman, Cayman Islands. Agents: Bank Julius Baer & Co. Ltd., Bahnhofstrasse 36, 8001 Zurich Switzerland. Société Bancaire Julius Baer SA Genève, 2, boulevard du Théâtre P.O. Box 221, 1211 Geneva 11 Switzerland.

Polaroid Stock Surges On Rumored Settlement

New York Times Service NEW YORK — Rumors of a larger than expected legal settlement have sent the shares of Polaroid Corp. soaring in the past week.

Although on Tuesday the stock, one of the most active on the New York Stock Exchange, closed at \$34.25, down \$1.25, it was still up \$4.50 a share since Feb. 26.

Behind the sharp run-up is the possibility of a larger than expected settlement of a patent infringement lawsuit against Eastman Kodak Co. Polaroid won the suit in the Supreme Court and is now waiting for a trial date to establish the amount of damages.

Polaroid has calculated its damages at \$5.7 billion. Analysts do not expect the company to receive that much, but they are anticipating a large award.

Last Friday, after reviewing newly released court documents, a number of Wall Street analysts raised their estimates of the amount Polaroid could receive.

Charles K. Ryan, first vice president of Merrill Lynch Capital Markets, for instance, increased his estimate of damages from \$500 million to between \$1 billion and

\$2 billion. Such a settlement, he estimated, could add as much as \$14.50 a share in after-tax profit.

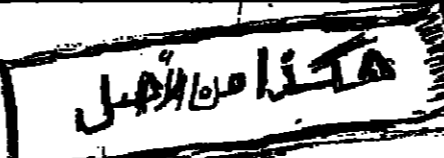
The activity also has been fueled by rumors that John W. Kluge, chairman of Metromedia, has been a heavy buyer in recent days.

Mr. Kluge, who is traveling, was unavailable for comment. The rumors that he was buying also touched off speculation of a possible takeover attempt, although there was nothing to indicate such a move.

The recent price rise — from the low 20s in February — makes some analysts and stockholders nervous. The price has jumped too fast, they say.

Brenda L. Landry, a principal at Morgan Stanley & Co., is recommending the stock but acknowledges that it has often been a victim of rumors. "This is a story stock and the past few weeks have proven it," she said.

Analysts note that whoever was buying Polaroid's stock was taking pains to hide what looked like a large accumulation. The size of the transactions are small and spread among several brokerage firms. Most of the blocks are in the range of 10,000 to 20,000 shares, rather than 100,000 or 200,000.



INTERNATIONAL BUSINESS MESSAGE CENTER

Grid of 12 columns and 10 rows of business advertisements. Columns include: IMPORT/EXPORT, BUSINESS OPPORTUNITIES, BUSINESS SERVICES, FINANCIAL INVESTMENTS, OFFICE SERVICES, and more. Advertisements range from 'Natural Gas' to 'Wanted' and 'Business Services'.

INTERNATIONAL DUTY AND TAX FREE SEMINAR

LONDON, APRIL 15, 1988
Co-sponsored by the INTERNATIONAL HERALD TRIBUNE AND PETER R. WENBAN & ASSOCIATES
This major seminar will bring delegates up-to-the-minute information from a global perspective on the duty and tax free markets worldwide.

- THE PROGRAM
9:00 CHAIRMAN'S OPENING REMARKS
9:15 KEYNOTE SPEECH - DUTY FREE, THE GLOBAL MARKET
9:45 THE MARKET AND ITS SHOPPERS
10:15 COFFEE
10:45 PRODUCTS AND PRESENTATION
11:10 REACHING THE CUSTOMER - THE MEDIA OF DUTY FREE
11:35 MARKET RESEARCH AND DATA SOURCES

REGISTRATION INFORMATION:
The fee is £195 (plus VAT at 15% £225, total £224.25) or the equivalent in convertible currency for each participant.
SEMINAR LOCATION:
Park Lane Hotel, Piccadilly, London W1M 6EX.
Tel: 492 8221. Telex: 21533.

COMMERCIAL AND INDUSTRIAL REAL ESTATE
This new rubric will appear every Wednesday
Your advertisement will reach over 420,000 readers Worldwide:
- 66% hold senior government or management positions.
- 82% work for a company that operates internationally.

Announcing a series of seven major IHT advertising sections
1992 RENEZ VOUS with EUROPE
THE World's RENEZ VOUS with EUROPE
These seven sections, beginning Friday March 25th, will highlight the following important subjects and industries:
• A general introduction to the challenge of "1992"
• Information technology
• Telecommunications
• Transportation
• Banking - insurance - financial services
• Automobiles
• Agribusiness

SPORTS

Soccer's Goalkeepers: A Breed Apart With Communal Hazards

LONDON — Nowadays we seldom hear the old saying that soccer's goalkeepers are monkeys dangling from the crossbar...

ROB HUGHES

Putting it into perspective: Chris Woods and Jean-Marie Pfaff still can pull in major rewards...

They, supposedly, are soldiers in the Romanian army. Their families queue for bread in Bucharest and may shiver in poorly heated apartments...

Months after that crowning hour, Mucadam was rushed to a hospital with a thrombosis. Emergency surgery saved him without an arm having to be amputated...

Cinderella Will Be Back At NCAA Ball

NEW YORK — North Carolina-Charlotte, a Cinderella team the last time it received an invitation to the ball, 11 years ago, Monday night led another four schools into the NCAA college basketball tournament...



Goalie Grant Fuhr of the Edmonton Oilers had a full cage Monday night: first came the puck, then teammate Charlie Huddy. The Oilers prevailed, 6-0.

Marymount to its 24th straight victory. Santa Clara, which won 17 at home but lost twice to Loyola, is expected to be invited to the NIT...

Russell 'Promoted' By NBA Kings From Coach to VP (Scout)

SACRAMENTO — Bill Russell, the man who was to become president of the Sacramento Kings of the National Basketball Association after coaching them for a while, was kicked upstairs Monday, after only nine months on the job...



Jim Abbott Chosen as Top U.S. Amateur

INDIANAPOLIS — Jim Abbott, who was born without a right hand and became the first U.S. pitcher to beat Cuba's baseball team in Cuba in 25 years, was named Monday as the 58th winner of the annual Sullivan Award...

SPORTS BRIEFS

Minnesota Penalized

MINNEAPOLIS (AP) — The National Collegiate Athletic Association put the University of Minnesota men's basketball program on probation Monday for three years and barred the team from postseason competition for two years...

Germany's Meier Wins 1st Cup Race

ASPEN, Colorado — Christine Meier of West Germany, so nervous she beats that she was shaking, overtook Mateja Svet of Yugoslavia and won her first World Cup race Monday in a women's giant slalom...

Blanca Fernandez Ochoa: Second, Happy

"I haven't skied badly, I just haven't skied," she said angrily Monday between her first and second runs. "I've done my best. I didn't plan to fall. Why can't they understand that?"

For the Record

Roger Craig, manager of the San Francisco Giants, will undergo arthroscopic surgery Thursday to repair knee injury aggravated while demonstrating a pick-off move.

Trivia

As NBA coaches, Red Auerbach (Washington, Tri-Cities, Boston) and Bill Russell (Boston, Seattle, Sacramento) have won titles only with teams on which Russell played.

Quotable

Hugh Durham, University of Georgia basketball coach: "It's not how good you play when you play good. It's how good you play when you play bad. And we can play bad as good as anyone in the country."

Iditarod Racers Mushing Through Snow Into Wilderness

ROHN, Alaska — Jan Masek led a steady stream of mushers down the Alaska Range to the Rohn Roadhouse on Monday, 271 miles (439 kilometers) on the 1,150-mile Iditarod Trail Sled Dog Race.

2 hours, 5 minutes and 13 seconds, was the favorite. Four-time champion Rick Swenson figured to challenge for the \$50,000 first prize, but many were running to learn the ropes from the veterans in the world's foremost long distance sled dog race.

down icy slopes, across almost barren tundra and into deep snow that lubricates the trail. The 46 men and 6 women, who had come from six other states and six other countries, began the race with as many as 20 dogs and carrying enough food and survival gear to get them from checkpoint to checkpoint.

SCOREBOARD

Hockey

NHL Standings table with columns for team, W, L, T, Pts, GF, GA. Includes Eastern Conference and Campbell Conference.

Basketball

NBA Standings table with columns for team, W, L, Pct., GB. Includes Eastern Conference and Western Conference.

Transition

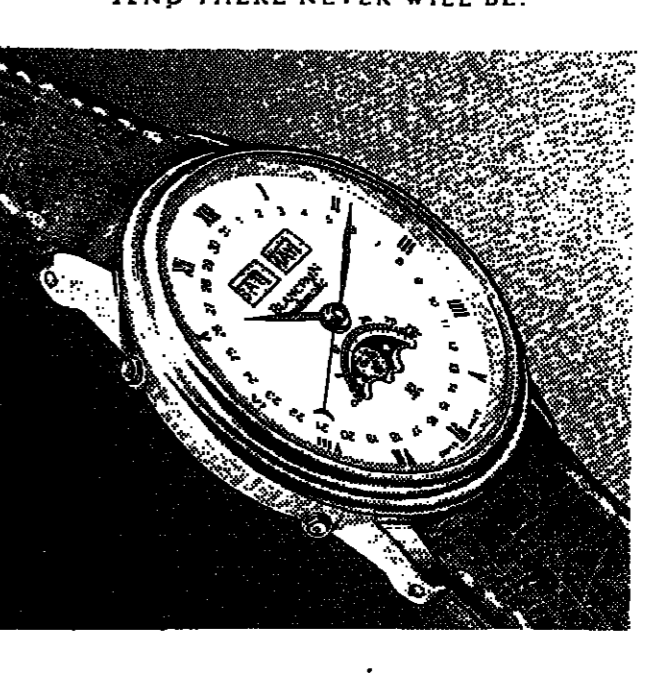
College Top 20s table with columns for team, Record, Pts, Pct. Includes Division I and II.

Baseball

Baseball table with columns for team, Record, Pts, Pct. Includes National League and American League.

IB BLANCPAIN

SINCE 1735 THERE HAS NEVER BEEN A QUARTZ BLANCPAIN WATCH. AND THERE NEVER WILL BE.



David Morris Jewels, 25 Conduit Street, London W1 Tel 01-499 2200. Also at The David Morris Room Harrods and at The Carlton Tower.

Monday's Results table with columns for game, Score, and other details.

World Cup Skiing table with columns for skier, Country, and Time.

Monday's Selected Results table with columns for event, Winner, and Time.

Exhibition Games table with columns for team, Location, and Date.

OBSERVER

Column Must Go On

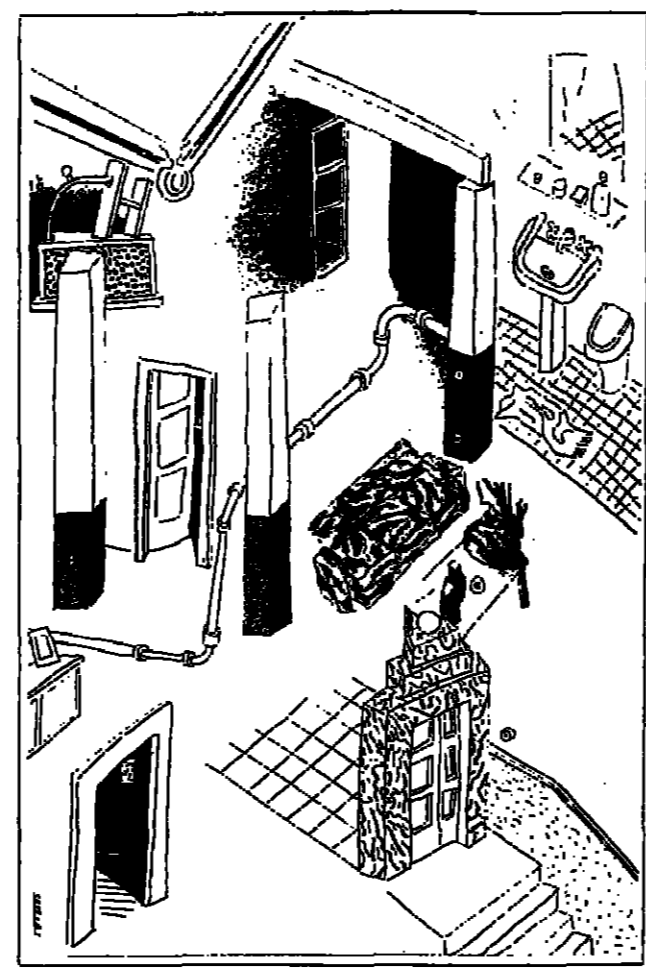
By Russell Baker
NEW YORK — It is 3:15 in the morning, and I have just been roused out of bed to announce there will be no column in this space today. I keep my thoughts to myself, but that doesn't mean I can't try to put a little fire in the old fellow once in awhile.

luminated now, eerie orange letters leaping out of a velvety black background, but still just a television screen.
"Get up in the morning, feeling good, and write a nice column about the irony of using television screens to write with."
In reply he coughed loudly, then screamed in pain.

The Home as a Disposable Castle

By Roberto Suro
New York Times Service

MILAN — Sipping white wine at the start of the evening, Ettore Sottsass toyed with the idea of the home as castle, and found it hopelessly obsolete.
Sottsass, an iconoclastic architect and designer, who is surprised at the influence he has gained late in life, argued that contemporary culture does not permit people to build homes with the permanence of castles, and he predicted that in the future homes will become ever more temporary.



Ettore Sottsass and one of his sketches for an apartment.

phib brought him enough international fame and notoriety that his design studio now has all the work it can handle: houses, showrooms, shops and offices in Europe and the United States.
Meanwhile, he has not abandoned his commitment to discovery. He described the furniture, glassware and other objects he designs as "my research."

land around it, that transmitted a family's wealth through generations. And it was the ritualistic setting for a religious union between a man and a woman."
None of that is the rule anymore, he said, and as a result, "The home has lost much of its mythic destiny, because people no longer have one home but different homes of different types at different times of their lives."

Increasingly, Sottsass said, "the home interior is being subjected to all the figurative changes inherent in a life of consumption. The trends and fads, and the blizz of images and information that hit us every day, will shape the way homes look, and this will make them more something for us to change often, like clothes, to show and make sense."

He insisted that Memphis was an effort to create options. Plastic laminate for example, came off the kitchen cabinet, was given wild, colorful patterns and became a material for tables and bookcases. He expressed bitterness at critics who described his work as "toys for the rich," and was amused but still acerbic re-

PEOPLE

Judge Refuses to Open FBI Dossier on Lennon

A federal judge in Los Angeles refused to allow the release of records tracking the professional activities of John Lennon, the judge said in a decision that would keep the FBI's dossier on Lennon from being disclosed to the public.
The judge, U.S. District Court Judge William W. Overton, said he would not order the release of the FBI's dossier on Lennon, which contains documents from the 1970s. Lennon was arrested outside his New York City apartment in 1980. . . .



TODAY'S INTERNATIONAL BUSINESS MESSAGE CENTER
Appears on page 17

ANNOUNCEMENTS
SAVE MORE SUBSCRIBE BEFORE MARCH 31, 1988
INTERNATIONAL HERALD TRIBUNE

REAL ESTATE TO RENT/SHARE
GREAT BRITAIN
PARIS AREA FURNISHED
REAL ESTATE TO RENT/SHARE
GREAT BRITAIN

REAL ESTATE TO RENT/SHARE
GREAT BRITAIN
PARIS AREA FURNISHED
REAL ESTATE TO RENT/SHARE
GREAT BRITAIN

REAL ESTATE TO RENT/SHARE
GREAT BRITAIN
PARIS AREA FURNISHED
REAL ESTATE TO RENT/SHARE
GREAT BRITAIN

LEGAL SERVICES
U.S. DIVORCE IN 15 DAYS
DIVORCE IN 24 HOURS
LEGAL SERVICES

HOTELS
FRANCE
GREAT BRITAIN
THE DIPLOMAT HOTEL
HOTELS

HOLIDAYS & TRAVEL
ST PAUL DE VENCE
GREECE
MONACO
Principality of Monaco
FONVILLE

REAL ESTATE TO RENT/SHARE
GREAT BRITAIN
PARIS AREA FURNISHED
REAL ESTATE TO RENT/SHARE
GREAT BRITAIN

REAL ESTATE TO RENT/SHARE
GREAT BRITAIN
PARIS AREA FURNISHED
REAL ESTATE TO RENT/SHARE
GREAT BRITAIN

LEGAL SERVICES
U.S. DIVORCE IN 15 DAYS
DIVORCE IN 24 HOURS
LEGAL SERVICES

HOTELS
FRANCE
GREAT BRITAIN
THE DIPLOMAT HOTEL
HOTELS

HOLIDAYS & TRAVEL
ST PAUL DE VENCE
GREECE
MONACO
Principality of Monaco
FONVILLE

INTERNATIONAL CLASSIFIED
REAL ESTATE TO RENT/SHARE
LEGAL SERVICES
HOTELS
HOLIDAYS & TRAVEL
AUTOMOBILE MARKET
ASK SHIPSIDE
TRANSCO
TAX FREE CARS
CHAUFFEUR SERVICES
DINA MOTORS A.S.
LICENSE PLATES